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California

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UNIVERSITY OF CALIFORNIA

Comprehensive Annual
Financial Report

*For The Fiscal Year
Ended June 30, 1998*

Board of Supervisors

Greg Cox
First District

Dianne Jacob
Second District

Pam Slater
Third District

Ron Roberts
Fourth District

Bill Horn
Fifth District

Compiled under the direction of
William J. Kelly, Chief Financial Officer/Auditor and Controller (Acting)

A0039
1997/98

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- 1. Mr. J. Edgar Hoover
- 2. Mr. J. Edgar Hoover
- 3. Mr. J. Edgar Hoover
- 4. Mr. J. Edgar Hoover
- 5. Mr. J. Edgar Hoover

MEMBERS

- 6. Mr. J. Edgar Hoover
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INTRODUCTORY SECTION



County of San Diego

WILLIAM J. KELLY
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AUDITOR & CONTROLLER (ACTING)
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AUDITOR AND CONTROLLER
1600 PACIFIC HIGHWAY, SAN DIEGO, CALIFORNIA 92101-2478

October 9, 1998

The Honorable Board of Supervisors
County of San Diego
San Diego County Administration Center
San Diego, California 92101

The annual financial report of the County of San Diego for the fiscal year ended June 30, 1998, has been prepared by the Chief Financial Officer/Auditor and Controller and is submitted in compliance with Section 25253 of the Government Code of the State of California. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with County staff. The report has been prepared in accordance with generally accepted accounting principles and is organized into three major sections. The introductory section consists of this letter and the organizational structure of the County. The financial section provides the financial statements for the fund types and account groups of the County. Within this section, the general purpose statements and notes thereto for all fund types and account groups are presented first, followed by statements and schedules for individual fund types and account groups. The statistical section is the final section of the report and consists of various tables and schedules depicting trends and miscellaneous relevant data concerning County finances and demographics.

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended June 30, 1997. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The general purpose financial statements include the activities of the various fund types and account groups of the County and certain other entities for which the Board of Supervisors are financially accountable as defined by the Governmental Accounting Standards Board. Accordingly, all fund types and account groups of the County are reported herein as well as the operations of the following entities:

- County Service Areas
- Flood Control Districts
- Lighting Maintenance Districts
- Air Pollution Control District
- County of San Diego Housing Authority
- Sanitation Districts
- San Diego County Redevelopment Agency
- San Diego County Capital Asset Leasing Corporation (SANCAL)
- San Diego County Employees' Retirement Association (SDCERA)

GOVERNMENTAL STRUCTURE

The County was incorporated February 18, 1850, and functions under a Charter adopted in 1933, as subsequently amended. A five-member Board of Supervisors elected to four-year terms in district nonpartisan elections governs the County. There are 18 incorporated cities in the County and a large number of unincorporated communities. The County provides a full range of public services including public assistance, judicial, police protection, detention and correction, health and sanitation, recreation and others.

ECONOMIC CONDITION AND OUTLOOK

The San Diego Economic Research Bureau indicates that the regional economy is expected to grow at a projected growth rate of 4.1% in gross regional product (GRP), net of inflation, through December 1998 as compared to a similar 4.4% change in 1997. This reflects the sixth straight year of economic growth. The forecasted GRP growth rate for 1998 will also be more than the 3.8% growth rate projected for the nation's Gross Domestic Product. Although reductions in military and defense spending have now stabilized, the gains in GRP have been the result of increases in industries relating to high tech, foreign trade, tourism and professional services. San Diego County's emerging growth areas include telecommunications, computers and software, biotechnology and medical instruments. Additionally, San Diego, the Navy's principal location for West Coast operations, is expected to become the homeport for three nuclear-powered aircraft carriers. New housing construction is expected to increase to approximately 12,500 units, as compared to 11,148 units in 1997. This however, is still considerably less than the average of 29,000 units per year experienced during the years 1983 through 1990. Housing prices are projected to increase 8.9% in 1998 after adjusting for inflation, the highest gain since 1990. The population is expected to increase by 2.7% or 75,000 persons in 1998. This compares with previous gains of 42,344 in 1996 and an estimated 70,000 in 1997. Employment for 1998 is expected to rise 2.9% compared to a 2.3% increase in 1997. The unemployment rate at the end of fiscal year 1997/98 was 3.6% as compared to 4.4% the previous fiscal year. Per the County Assessor, property tax assessed valuation in fiscal year 1997/98 increased 2.9% from fiscal year 1996/97 as compared to a .6% increase in the prior year.

MAJOR INITIATIVES

Restructuring of County finances dominated the concerns of the Board of Supervisors, the Chief Administrative Officer and the County executive team during this fiscal year. A financial plan to address structural imbalances in the budget process was implemented to include: the establishment of adequate financial reserves; elimination of one time revenue sources to fund ongoing operations; achievement of planned reduction allocation goals by each operating Group. In August 1997, the County's solid waste system was sold to a waste management corporation. Proceeds from the sale included cash receipts of \$179.1 million and the transfer of current and post closure liabilities. Severely diminished amounts of solid waste tonnage to the San Marcos Resource Recovery Plant, the plant's purchase by the County to eliminate contractual obligations to the plant's corporate owners, coupled with the premature closure of the San Marcos Landfill resulting from litigation had placed financial duress on County resources causing the Board of Supervisors to authorize the divestiture of the solid waste system in December 1996. The successful implementation of the financial plan and sale of the solid waste system were key factors that resulted in an upgrade of the County's credit rating. (See "Debt Administration")

Other major initiatives accomplished during this fiscal year include the completion of a new 940 bed pre and post arraignment central detention facility with a medical treatment center, the reorganization of the Health and Human Services Agency and the transfer of trial courts' costs from the County budget to the State of California. As a result of these initiatives, booking and inmate detention needs should be adequate through the year 2020, 400 positions in the health and Human Services Agency have been eliminated or shifted to front line positions dealing with the public, and \$90.6 million in trial court costs and 1,569 staff years have been transferred to the State budget.

Future initiatives include: implementation of a managed competition and reengineering program to allow County departments to compete with the private sector to deliver services; development of a Children's' Strategic Plan to provide for improved health and welfare of children; establishment of an Elder Abuse Prevention project; implementation of activity based cost centers; increased automation for the management of inmate populations, park reservation and database management, and housing assistance rentals.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The County of San Diego maintains its principal fund accounting records using a modified accrual basis of accounting, as explained in the Notes to Financial Statements, and follows the accounting practices for governmental units which have been recommended by the Governmental Accounting Standards Board.

Using the County's automated accounting system, the Chief Financial Officer/ Auditor and Controller restricts each department's expenditures at the object level to the amount of that department's budgeted appropriations for the year. Changes in appropriations must be approved by the Board of Supervisors as a transfer from contingency reserve, transfer from another budgeted unit, or as an appropriation of unanticipated or overrealized revenue identified to a specific source. No budget unit is permitted to spend more than its available appropriations. Any appropriations remaining at the end of the fiscal year, which have not been specifically committed, automatically lapse to the unreserved fund balance. The fund balance along with projected revenues become available for appropriation the following year.

INTERNAL ACCOUNTING CONTROLS

The Chief Financial Officer/Auditor and Controller is charged with maintaining adequate systems of internal control sufficient to ensure reliability and validity of financial reporting in accordance with generally accepted accounting principles and general law. This is accomplished through the application of a series of automated accounting controls and administrative procedures designed to ensure the integrity of County transactions and to safeguard County assets. This internal control structure is subject to periodic evaluation by the internal audit staff of the County. Accordingly, the Chief Financial Officer/Auditor and Controller represents that the current systems of internal control adequately safeguard County assets and provide reasonable assurance over the fairness of presentation of this report.

GENERAL GOVERNMENT FUNCTIONS

The following schedules present a summary of revenues and other financing sources and a summary of expenditures and other financing uses for the County's General, Special Revenue, Debt Service, and Capital Projects funds. Amounts are stated in millions of dollars.

SUMMARY OF REVENUES AND OTHER FINANCING SOURCES:

	YEAR ENDED JUNE 30				PERCENT INCREASE (DECREASE)
	1998		1997		1998 OVER 1997
	AMOUNT	PERCENT	AMOUNT	PERCENT	
Taxes	\$ 306.2	11.8	\$ 297.3	12.4	3.0
Licenses and Permits	28.3	1.1	28.1	1.2	0.7
Fines, Forfeitures and Penalties	29.4	1.1	23.0	1.0	27.8
Use of Money and Property	49.0	1.9	31.0	1.3	58.1
Aid From Other Governmental Agencies:					
State	933.9	35.8	949.0	39.6	(1.6)
Federal	512.0	19.7	566.9	23.6	(9.7)
Charges for Current Services	196.4	7.6	173.5	7.2	13.2
Other Revenues	55.0	2.1	47.9	2.0	14.8
TOTAL REVENUES	2,110.2	81.1	2,116.7	88.3	(0.3)
Long-Term Debt Proceeds	77.9	3.0	64.8	2.7	20.2
Issuance of Lease Purchases	4.2	0.2	6.7	0.3	(37.3)
Operating Transfers In	247.2	9.5	209.4	8.7	18.1
Residual Equity Transfers In	161.3	6.2			
TOTAL	\$ 2,600.8	100	\$ 2,397.6	100	8.5

SUMMARY OF EXPENDITURES AND OTHER FINANCING USES:

	1997	1998	1997	1998	PERCENT
	AMOUNT	PERCENT	AMOUNT	PERCENT	CHANGE
General Government	\$ 184.5	7.6	\$ 186.8	7.7	(1.2)
Public Protection	544.5	22.5	509.1	21.0	7.0
Public Ways and Facilities	66.6	2.7	64.2	2.6	3.7
Health and Sanitation	294.9	12.1	268.4	11.1	9.9
Public Assistance	816.6	33.6	915.3	37.7	(10.8)
Education	10.1	0.4	9.4	0.4	7.4
Recreation and Cultural	9.3	0.4	7.2	0.3	29.2
Capital Outlay	91.1	3.7	74.4	3.1	22.4
Debt Service	98.2	4.0	91.9	3.8	6.9
TOTAL EXPENDITURE	2,115.8	87.0	2,126.7	87.7	(0.5)
Operating Transfers Out	241.1	9.9	272.0	11.2	(11.4)
Transfers to Escrow Agent	71.2	2.9	24.5	1.0	190.6
Residual Equity Transfers Out	5.7	0.2	2.2	0.1	159.1
TOTAL	\$ 2,433.8	100	\$ 2,425.4	100	0.3

Revenues for general County functions remained approximately the same as the prior year although there were variances between categories of revenues. State and Federal Aid decreased \$70 million from the previous year. This reduction reflected an approximate \$84 million drop in assistance programs such as AFDC and food stamps relating to Federal and State welfare reform and another \$21 million reduction in trial court related revenues. Such reductions were offset by a \$35 million increase in motor vehicle license fees, realignment sales tax and other revenue. Charges for current services increased \$23 million primarily representing increases in jail booking fees from the City of San Diego's support for the new jail and increases in court related fines and fees relating to the Trial Court Funding Act of 1997. The residual equity transfers-in consisted primarily of proceeds from the sale of the solid waste system and the dissolution of the Solid Waste Enterprise Fund as explained under "Major Initiatives". These proceeds were used to bolster General Fund cash reserves and to create a fund to finance post closure landfill liabilities over a 30-year period. The major sources of funding to the County continued to be the State and Federal governments, collectively, providing 55.5% of all revenue as compared to 63.2% in the previous year. Long-term debt proceeds and issuances of lease purchases are explained under "Debt-Administration".

Expenditures and encumbrances for FY 1997/98 remained about the same as the previous year. Public protection expenditures increased approximately \$35.4 million primarily because of increased staffing and other costs associated with the opening of the new detention facility, increases in patrol functions, child support expansion and salary increases. Health and Sanitation expenditures increased \$26.5 million due to: transfers from the public protection expenditure category of \$7.1 million in medical costs for jail inmates; \$5.3 million for mental health program consolidations; \$14 million for increases in community based health programs such as childrens' services, alcohol and AIDS programs. Public Assistance decreased \$98.7 million from the previous year reflecting decreased funding related to State and Federal welfare reform measures and reductions in assistance caseloads. Capital project expenditures increased \$16.7 million due to construction improvements to County regional centers.

General Fund unreserved undesignated fund balance amounted to approximately \$144.3 million at June 30, 1998, an increase of \$94.4 million from the previous year. This increase was primarily attributable \$54.1 million in proceeds from the sale of the solid waste system and \$40.3 million in cost containment realized as a result of performance goal setting standards instituted by the Chief Administrative Officer.

RESULTS OF OPERATIONS - ENTERPRISE FUNDS

During fiscal year 1997/98, these funds received total revenue and net operating transfers of \$255.6 million and incurred expenses of \$82.9 million resulting in a net gain of \$172.7 million. At June 30, 1998, these funds had a \$78.8 million balance in retained earnings. The major share of this balance included \$66.3 million in six sanitation districts, and \$12.4 million in the Airport Enterprise Fund. Effective with the sale of the Solid Waste System, as described under "Major Initiatives," the Solid Waste Enterprise Fund ceased to be operational.

RESULTS OF OPERATIONS - PENSION TRUST FUND

Contributions to the SDCERA for fiscal year 1997/98 totaled \$58.5 million while income from investment was \$466.9 million, making total additions of \$525.4 million. After payments of retirement benefits and investment expenses of \$115.7 million, the net assets were increased by \$409.6 million over that of the previous fiscal year. The total net assets held in trust for pension benefits as of June 30, 1998, was \$3,506.1 million.

CASH MANAGEMENT

Under a pooled-money concept, the County invests all idle cash in various securities with maturities planned to coincide with projected needs while attempting to maximize yield. The portfolio during the year was as follows: Government Securities, 40%; Repurchase Agreements, 12%; Negotiable Certificates of Deposit, 27%; Commercial Paper, 10%; Medium Term Notes, 6%; Bankers' Acceptances, 4%; Mutual Funds, 1%. Time deposits in various depositories were fully collateralized in accordance with State statutes which require depositories having public funds on deposit to maintain a pool of securities with the agent of the depository having a market value of at least 10% in excess of the total amount of all public funds on deposit. Approximately \$12.6 million of SDCERA deposits were considered uncollateralized and uninsured at June 30, 1998.

The average yield rate on pooled cash investments was 3.89%.

DEBT ADMINISTRATION

The County has no outstanding general obligation or revenue bonds, although in accordance with generally accepted accounting principles, in particular Governmental Accounting Standards Board Statement No. 14, the County "reporting entity" as reflected in this financial report has the following outstanding bonded debt:

Proprietary Fund Revenue Bonds	\$ 85,000
Pension Obligation Bonds	395,475,000
Redevelopment Agency Revenue Bonds	5,035,000
Lease Revenue Bonds/Certificates of Participation (COP)	424,338,000
Total	\$824,933,000

Proprietary fund revenue bonds are legal obligations of various Sanitation Districts. The Pension Obligation Bonds represent obligations of the County to fund the prior years' unfunded actuarial accrued liability of the SDCERA pension trust fund. The Redevelopment Agency revenue bonds are obligations of the Agency used to finance the Agency's capital improvements while the Certificates of Participation are legal obligations of a non-profit corporation formed for the sole purpose of financing the acquisition or construction of County facilities. Interest expense to maturity on bonded debt is projected at \$351.7 million. Short-term financings consisted of Tax and Revenue Anticipation Notes (TRANS) for \$225 million and an outstanding balance of \$66.7 million in short-term Teeter Obligation Commercial Paper Notes. The Teeter Obligation notes are secured by future collections of delinquent property taxes and were used to provide various taxing agencies the amount of their property taxes without regard to such delinquencies. On March 26, Moody's and Fitch IBCA, two major bond rating agencies, upgraded the County of San Diego credit rating two notches to A-plus for the County's long-term Certificates of Participation. Standard and Poor's another major bond rating agency, upgraded the County's credit rating from A-minus to A only 10 months after it was downgraded., (See "Major Initiatives") Short term Tax and Revenue Anticipation Notes continued to receive the highest ratings from both Moody's and Standard and Poor's Corporation.

In November 1997, the County entered into a long-term capital lease with Koch Financial Corporation to finance the acquisition and construction of lighting and mechanical equipment for various County facilities. The net present value of the lease is \$3.17 million with various interest rates ranging from 4.5 to 4.7 percent and terminating in 2006.

On July 15, 1998, SANCAL issued \$80.7 million in COP with an average interest rate of 5.4.% to advance refund \$58.5 million of COP issued by SANCAL and \$6 million in COP issued by the San Diego Regional Building Authority in 1994. The COP of the Authority were secured by capital leases between the County and the Authority. The refunding resulted in a debt payment reduction of \$2.3 million over the next 29 years.

Certain buildings and equipment are being acquired under various long-term capital leases (lease-purchases). Excluding those leases represented by the Lease Revenue Bonds/Certificates of Participation noted above, the outstanding obligation for these leases at June 30, 1998, totaled \$152.1 million. Assuming all such capital leases are held to full term, the total projected interest expense would be an additional \$102.9 million.

RISK MANAGEMENT

The County is self-insured for premises liability at medical facilities, medical malpractice, errors and omissions, false arrest, forgery, general liability and workers' compensation. The County purchases insurance for property damage, certain casualty claims, and loss of money up to \$10,000 per selected site locations. The County's uninsured risk management activities are accounted for in an internal service fund. During FY 1997/98, the fund equity increased \$1.1 million in the Public Liability Insurance ISF while fund equity for the Worker's Compensation Fund remained approximately the same as the prior fiscal year. The liability for unpaid claims increased by \$4.5 million in the Public Liability ISF and by \$3.4 million in the Worker's Compensation ISF. These amounts included estimates for claims incurred but not yet reported and are based on actuarial reviews conducted in 1997. Funding these liabilities must remain a priority if the County is to be truly self-insured. In addition, there is a potential gross liability of \$10.6 to \$14.0 million which could result if unfavorable adjudication were rendered for pending legal actions. At June 30, 1998, there are 42 litigation cases representing the probable and potential public liabilities discussed above. The range of litigation cases is from \$75,000 to \$3.5 million.

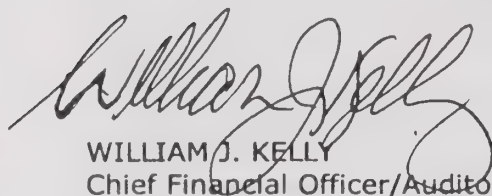
INDEPENDENT AUDIT

An independent auditors' report on the general purpose financial statements and combining and individual fund financial statements and schedules by the independent certified public accounting firm of Deloitte & Touche LLP is included in the financial section of this report.

ACKNOWLEDGMENT

The preparation of the Comprehensive Annual Financial Report is the result of a concentrated, dedicated and coordinated effort by the Chief Financial Officer/Auditor & Controller staff. I would like to express my appreciation to them for their professionalism in the preparation of this report. I would also like to thank the members of the Board of Supervisors, the Chief Administrative Officer, Group General Managers and their staff for their continued efforts in planning and conducting the financial operations of the County in a fiscally responsible manner to achieve planned objectives.

Respectfully,

A handwritten signature in black ink, appearing to read 'William J. Kelly', is written over the printed name and title.

WILLIAM J. KELLY
Chief Financial Officer/Auditor and Controller (Acting)

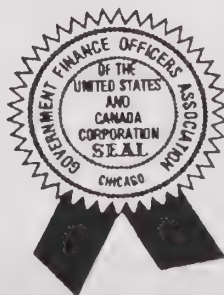
Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of San Diego,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1997

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Douglas R. Ellsworth
President

Jeffrey L. Essel
Executive Director

BOARD OF SUPERVISORS



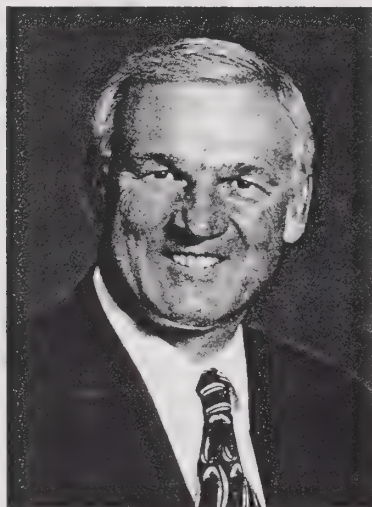
DISTRICT 1
Greg Cox
(Chairman)



DISTRICT 2
Dianne Jacob



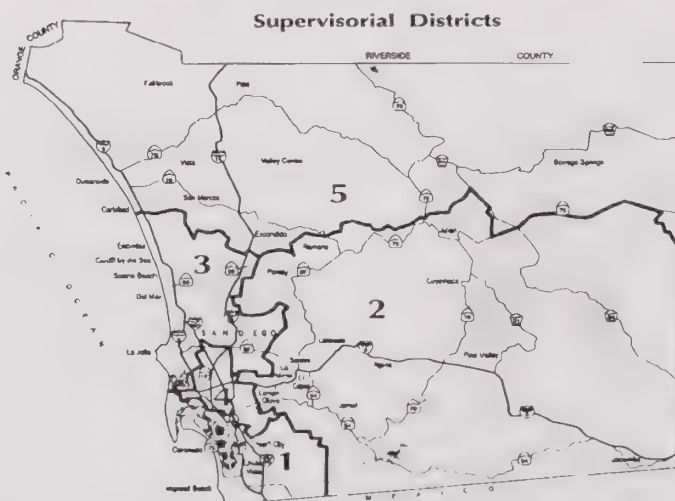
DISTRICT 3
Pam Slater



DISTRICT 4
Ron Roberts



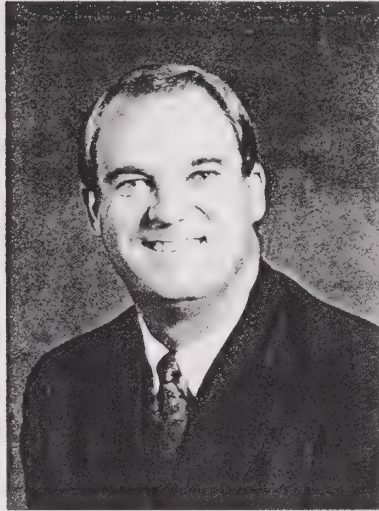
DISTRICT 5
Bill Horn



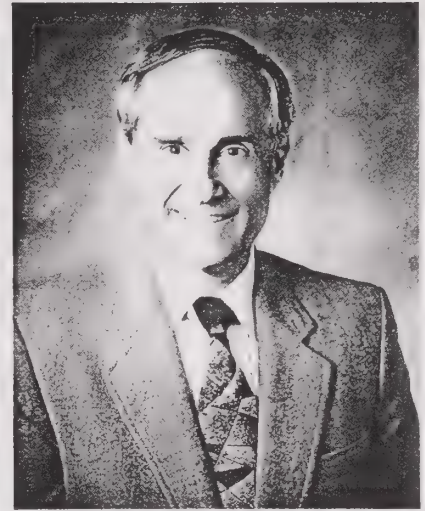
FISCAL OFFICERS



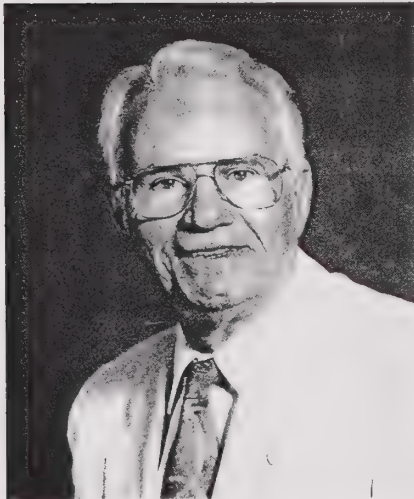
**CHIEF ADMINISTRATIVE
OFFICER**
Lawrence B. Prior III



**CHIEF FINANCIAL OFFICER/
AUDITOR AND CONTROLLER
(ACTING)**
William J. Kelly



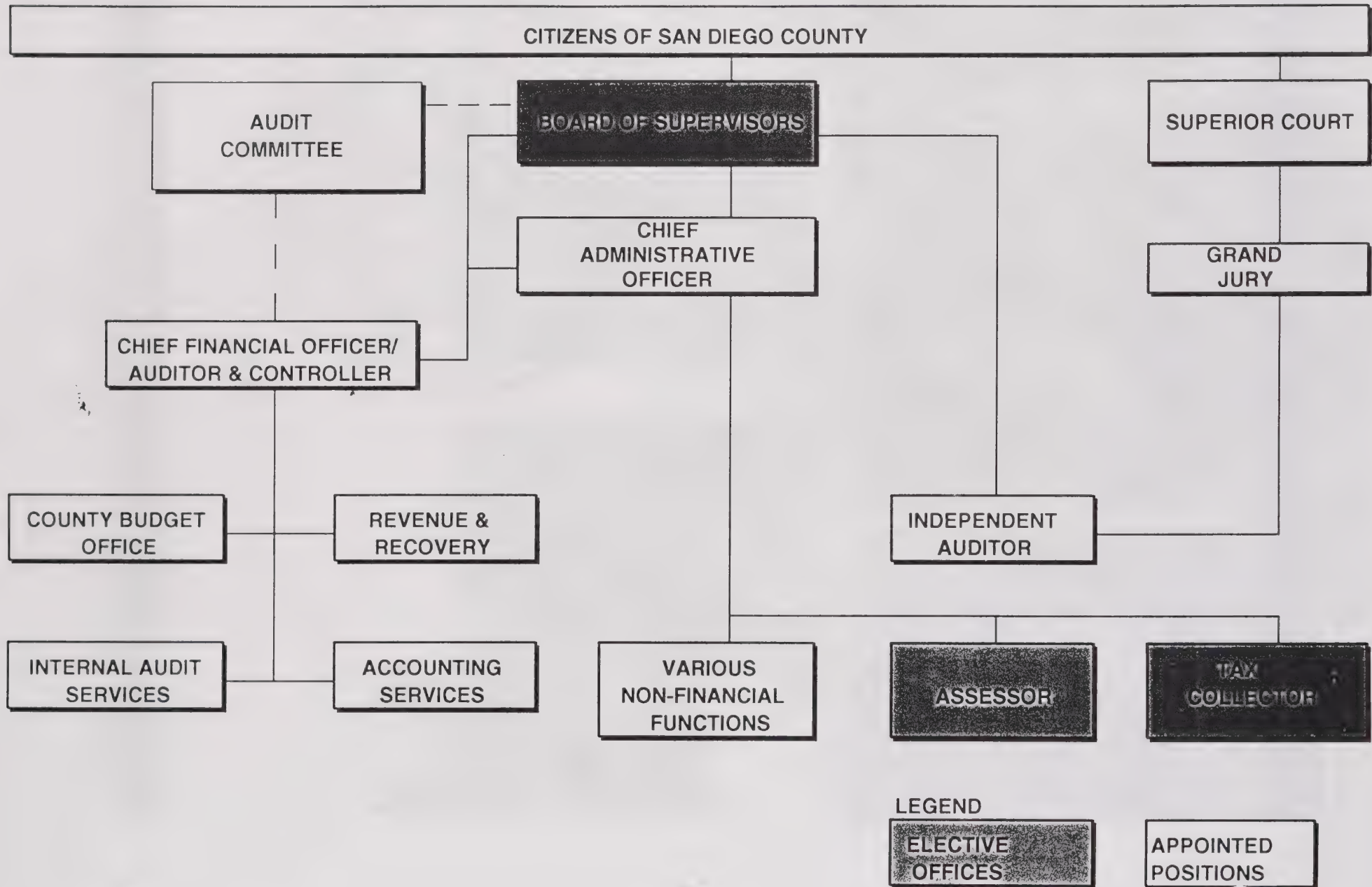
**ASSESSOR/RECORDER/
COUNTY CLERK**
Gregory J. Smith



TREASURER/TAX COLLECTOR
Paul Boland



COUNTY OF SAN DIEGO
ORGANIZATION FOR FINANCIAL ADMINISTRATION



FINANCIAL SECTION

**INDEPENDENT AUDITORS' REPORT**

The Honorable Board of Supervisors of the
County of San Diego:

We have audited the accompanying general purpose financial statements of the County of San Diego as of June 30, 1998 and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the County of San Diego. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the pension trust fund (included in Trust and Agency), which statements reflect total assets constituting 67% of the Trust and Agency Fund Type at June 30, 1998. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Trust and Agency Fund Type, is based solely on the report of such other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinion.

In our opinion, based upon our audit and the report of other auditors, such general purpose financial statements present fairly, in all material respects, the financial position of the County of San Diego at June 30, 1998, and the results of its operations and the cash flows of its proprietary fund types, and the change in net assets of its pension trust fund and investment trust fund, for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 4.H. to the general purpose financial statements, in fiscal year 1998, the County of San Diego changed its method of accounting for its investment pool to conform with Statement of Governmental Accounting Standards No. 31 and restated the 1997 Totals (memorandum only) comparative financial information.

As discussed in Note 3 to the financial statements, the fair values of certain investments with an amount of \$526,246,115 have been estimated by management in the absence of readily ascertainable market values. We have reviewed the procedures used by management in arriving at the estimated values of such investments and have inspected underlying documentation, and, in the circumstances, believe the procedures are reasonable and the documentation appropriate. However, determination of the value of

these investments involves subjective judgment because the actual market values can be determined only by negotiation between the parties in sales transactions. The estimated value of the investments may differ from the values that would have been used had a ready market existed for the investments, and the differences could be material.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the foregoing table of contents, which are also the responsibility of the management of the County of San Diego, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County of San Diego. These financial statements and schedules are also the responsibility of the management of the County of San Diego. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County of San Diego. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on it.

Deloitte & Touche LLP

October 9, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

THESE STATEMENTS PROVIDE A SUMMARY OVERVIEW OF THE FINANCIAL POSITION OF ALL FUNDS AND ACCOUNT GROUPS AND OF THE OPERATING RESULTS BY FUND TYPES. THEY ALSO SERVE AS AN INTRODUCTION TO THE MORE DETAILED STATEMENTS AND SCHEDULES THAT FOLLOW.

GENERAL PURPOSE STATEMENTS

IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD, THE FOLLOWING GENERAL PURPOSE STATEMENTS ARE PRESENTED:

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - (BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS - ALL GOVERNMENTAL FUND TYPES

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCE - ALL PROPRIETARY FUND TYPES

COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES

PENSION TRUST FUND - STATEMENT OF CHANGES IN PLAN NET ASSETS

INVESTMENT TRUST FUND - STATEMENT OF CHANGES IN PLAN NET ASSETS

NOTES TO COMBINED FINANCIAL STATEMENTS

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS				
Equity in Pooled Cash and Investments	\$ 52,365	71,637	6,984	35,324
Cash with Fiscal Agent	231,746	67	21,673	1,076
Collections in Transit	500	591		
Imprest Cash	208	14		
Investments				
Taxes Receivable	242			
Accounts and Notes Receivable, Net	160,615	21,514	249	5,496
Prepaid Expense				
Due from Other Funds	103,600	8,669	28	16,248
Advances to Other Funds	689	157	561	
Inventory of Materials and Supplies	10,039	1,596		
Deposits with Others		752		7
Restricted Assets:				
Investments		103,049		
Fixed Assets, Net				
Amount Available in Debt Service Funds				
Amount to be Provided for Retirement of General Long-Term Debt				
Total Assets and Other Debits	\$ 560,004	208,046	29,495	58,151
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$ 25,481	6,926		3,286
Accrued Payroll	19,706	1,129		
Accrued Interest				
Amount Due for Tax & Revenue Anticipation Notes	227,531			
Due to Other Funds	32,459	8,643	83	15,125
Obligations Under Securities Lending				
Due to Other Governments				
Advances from Other Funds		675	287	3,298
Amount Due Employees for Deferred Compensation				
Amount Due for Commercial Paper Notes				
Deferred Revenue	33,742	1,402		17,463
Long-Term Debt Payable				
Total Liabilities	338,919	18,775	370	39,172
Equity and Other Credits:				
Investment in General Fixed Assets				
Contributed Capital				
Retained Earnings:				
Unreserved				
Fund Balances:				
Reserved for Encumbrances	47,916	22,863		134
Reserved for Loans	7,277	13,262		
Reserved for Deposits with Others		54		
Reserved for Inactive Landfill Maintenance		103,049		
Reserved for Inventory of Materials and Supplies	10,039	149		
Reserved for Debt Service			29,125	
Reserved for Pool Participants				
Reserved for Employees' Pension Benefits				
Unreserved:				
Designated for Subsequent Years' Expenditures	11,543	87		
Undesignated	144,310	49,807		18,845
Total Equity and Other Credits	221,085	189,271	29,125	18,979
Total Liabilities, Equity and Other Credits	\$ 560,004	208,046	29,495	58,151

FINANCIAL REPORT OF SAN DIEGO COUNTY

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 1A

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	1998	Restated 1997
54,983	54,058	1,388,046			1,663,397	1,679,886
		515,182			769,744	702,077
4	89	23,897			25,081	14,182
2	200	72			496	489
		3,662,817			3,662,817	3,026,868
		203,643			203,885	225,552
1,272	113	43,159			232,418	205,287
33					33	
1,390	8,149	29,930			168,014	201,453
2,739	476				4,622	10,971
110	2,686				14,431	13,682
					759	1,233
					103,049	
69,280	27,674	416	1,239,243		1,336,613	1,316,685
				29,125	29,125	30,483
				1,121,193	1,121,193	1,143,677
129,813	93,445	5,867,162	1,239,243	1,150,318	9,335,677	8,572,525
1,423	6,611	24,943			68,670	61,796
110					20,945	19,648
2					2	2
					227,531	212,297
4,451	4,587	102,666			168,014	201,453
		375,327			375,327	227,688
1,705		502,520			504,225	431,413
362					4,622	10,971
		275,416			275,416	216,128
		66,671			66,671	77,359
1,362					53,969	60,011
768	88,973			1,150,318	1,240,059	1,341,399
10,183	100,171	1,347,543		1,150,318	3,005,451	2,860,165
			1,239,243		1,239,243	1,168,090
40,825	25,766				66,591	71,672
78,805	(32,492)				46,313	26,679
					70,913	55,556
					20,539	23,964
					54	54
					103,049	
					10,188	10,959
					29,125	30,483
		1,013,500			1,013,500	1,057,295
		3,506,119			3,506,119	3,096,445
					11,630	14,575
					212,962	156,588
119,630	(6,726)	4,519,619	1,239,243		6,330,226	5,712,360
129,813	93,445	5,867,162	1,239,243	1,150,318	9,335,677	8,572,525

FINANCIAL REPORT OF SAN DIEGO COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1998
With Comparative Figures for Year Ended June 30, 1997
(In Thousands)**

STATEMENT 1B

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTALS (MEMORANDUM ONLY)	
					1998	Restated 1997
Revenues:						
Taxes	\$ 284,970	20,330	381	522	306,203	297,314
Licenses, Permits and Franchises	21,034	7,278			28,312	28,118
Fines, Forfeitures and Penalties	21,849	1,058		6,489	29,396	22,972
Revenue from Use of Money and Property	26,236	12,792	2,001	7,939	48,968	31,089
Aid from Governmental Agencies:						
State	868,320	56,275		9,325	933,920	949,026
Federal	453,358	58,254		410	512,022	566,864
Other	23,303	9,606	1,943	391	35,243	20,639
Charges for Current Services	174,468	20,468		1,499	196,435	173,489
Other Revenue	15,966	1,782		1,074	18,822	27,327
Total Revenues	1,889,504	187,843	4,325	27,649	2,109,321	2,116,838
Expenditures:						
Current:						
General	181,031	3,434			184,465	186,861
Public Protection	535,863	8,722			544,585	509,142
Public Ways and Facilities	1,458	65,051			66,509	64,180
Health and Sanitation	281,363	13,504			294,867	268,400
Public Assistance	759,389	57,231			816,620	915,302
Education	270	9,827			10,097	9,375
Recreational and Cultural	8,094	1,215			9,309	7,210
Capital Outlay	4,226			86,893	91,119	74,368
Debt Service	14,249		83,901		98,150	91,914
Total Expenditures	1,785,943	158,984	83,901	86,893	2,115,721	2,126,752
Excess of Revenues Over (Under) Expenditures	103,561	28,859	(79,576)	(59,244)	(6,400)	(9,914)
Other Financing Sources (Uses):						
Sale of Fixed Assets		8		881	889	24
Issuance of Lease Purchases	4,226				4,226	6,653
Operating Transfers In	25,583	37,670	78,067	105,842	247,162	209,398
Operating Transfers (Out)	(85,367)	(58,972)	(7,120)	(89,729)	(241,188)	(272,000)
Long-Term Debt Proceeds		1,814	76,062		77,876	64,816
Transfers to Escrow Agent		(2,384)	(68,791)		(71,175)	(24,511)
Total Other Financing Sources (Uses)	(55,558)	(21,864)	78,218	16,994	17,790	(15,620)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	48,003	6,995	(1,358)	(42,250)	11,390	(25,534)
Fund Balances - Beginning of Year	121,970	79,216	30,483	60,510	292,179	320,410
Residual Equity Transfers In	57,448	103,148		719	161,315	(2,224)
Residual Equity Transfers (Out)	(5,653)				(5,653)	
Increase (Decrease) in Reserve for Inventory of Materials and Supplies	(683)	(88)			(771)	(473)
Fund Balances - End of Year	\$ 221,085	189,271	29,125	18,979	458,460	292,179

See Notes to Combined Financial Statements

FINANCIAL REPORT OF SAN DIEGO COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 1C

	GENERAL FUND		
	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 284,970	278,372	6,598
Licenses, Permits and Franchises	21,034	20,795	239
Fines, Forfeitures and Penalties	21,849	26,954	(5,105)
Revenue from Use of Money and Property	27,037	23,968	3,069
Aid from Other Governmental Agencies:			
State	868,320	938,002	(69,682)
Federal	453,358	525,453	(72,095)
Other	23,303	23,397	(94)
Charges for Current Services	174,468	161,055	13,413
Other Revenue	15,966	19,333	(3,367)
Total Revenues	1,890,305	2,017,329	(127,024)
Expenditures:			
Current:			
General	197,433	275,940	78,507
Public Protection	544,344	595,904	51,560
Public Ways and Facilities	2,214	3,188	974
Health and Sanitation	286,439	321,241	34,802
Public Assistance	761,278	891,998	130,720
Education	270	271	1
Recreational and Cultural	8,328	8,487	159
Capital Outlay			
Debt Service	14,249	14,249	
Total Expenditures	1,814,555	2,111,278	296,723
Excess of Revenues Over (Under) Expenditures	75,750	(93,949)	169,699
Other Financing Sources (Uses):			
Sale of Fixed Assets			
Operating Transfers In	25,583	29,383	(3,800)
Operating Transfers (Out)	(100,445)	(101,415)	970
Proceeds of Long-Term Debt		13,507	(13,507)
Encumbrances, Beginning of Year	33,290	33,290	
Total Other Financing Sources (Uses)	(41,572)	(25,235)	(16,337)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	34,178	(119,184)	153,362
Fund Balances - Beginning of Year	89,130	89,130	
Residual Equity Transfers In	57,448	57,448	
Residual Equity Transfers (Out)	(5,653)	(5,653)	
Increase (Decrease) in:			
Reserve for Inventory of Materials and Supplies	(683)		(683)
Fund Balances - End of Year	\$ 174,420	21,741	152,679

FINANCIAL REPORT OF SAN DIEGO COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 1C (Cont)

	SPECIAL REVENUE FUNDS		
	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 20,330	34,504	(14,174)
Licenses, Permits and Franchises	7,278	7,567	(289)
Fines, Forfeitures and Penalties	1,058	1,301	(243)
Revenue from Use of Money and Property	10,613	3,959	6,654
Aid from Other Governmental Agencies:			
State	56,275	78,889	(22,614)
Federal	58,254	98,228	(39,974)
Other	9,143	4,358	4,785
Charges for Current Services	20,468	27,127	(6,659)
Other Revenue	1,790	5,054	(3,264)
Total Revenues	185,209	260,987	(75,778)
Expenditures:			
Current:			
General	1,615	1,860	245
Public Protection	9,320	15,024	5,704
Public Ways and Facilities	75,342	134,718	59,376
Health and Sanitation	22,812	24,269	1,457
Public Assistance	57,231	86,239	29,008
Education	9,854	10,814	960
Recreational and Cultural	2,434	6,746	4,312
Capital Outlay			
Debt Service			
Total Expenditures	178,608	279,670	101,062
Excess of Revenues Over (Under) Expenditures	6,601	(18,683)	25,284
Other Financing Sources (Uses):			
Sale of Fixed Assets	8	100	(92)
Operating Transfers In	3,699	4,591	(892)
Operating Transfers (Out)	(28,126)	(36,073)	7,947
Proceeds of Long-Term Debt			
Encumbrances, Beginning of Year	21,989	21,989	
Total Other Financing Sources (Uses)	(2,430)	(9,393)	6,963
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	4,171	(28,076)	32,247
Fund Balances - Beginning of Year	60,358	60,358	
Residual Equity Transfers In	103,148	103,148	
Residual Equity Transfers(Out)			
Increase (Decrease) in:			
Reserve for Inventory of Materials and Supplies	(88)		(88)
Fund Balances - End of Year	\$ 167,589	135,430	32,159

FINANCIAL REPORT OF SAN DIEGO COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 1C (Cont)

	DEBT SERVICE FUNDS		
	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 381	308	73
Licenses, Permits and Franchises			
Fines, Forfeitures and Penalties			
Revenue from Use of Money and Property	60	103	(43)
Aid from Other Governmental Agencies:			
State			
Federal			
Other	1,943	1,921	22
Charges for Current Services			
Other Revenue			
Total Revenues	2,384	2,332	52
Expenditures:			
Current:			
General			
Public Protection			
Public Ways and Facilities			
Health and Sanitation			
Public Assistance			
Education			
Recreational and Cultural			
Capital Outlay			
Debt Service	44,607	44,633	26
Total Expenditures	44,607	44,633	26
Excess of Revenues Over (Under) Expenditures	(42,223)	(42,301)	78
Other Financing Sources (Uses):			
Sale of Fixed Assets			
Operating Transfers In	41,864	42,137	(273)
Operating Transfers (Out)			
Proceeds of Long-Term Debt			
Encumbrances, Beginning of Year			
Total Other Financing Sources (Uses)	41,864	42,137	(273)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(359)	(164)	(195)
Fund Balances - Beginning of Year	1,108	1,108	
Residual Equity Transfers In			
Residual Equity Transfers(Out)			
Increase (Decrease) in:			
Reserve for Inventory of Materials and Supplies			
Fund Balances - End of Year	\$ 749	944	(195)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 1C (Cont)

	CAPITAL PROJECTS FUNDS		
	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 522	17,151	(16,629)
Licenses, Permits and Franchises			
Fines, Forfeitures and Penalties	6,489	7,294	(805)
Revenue from Use of Money and Property	2,576	4,553	(1,977)
Aid from Other Governmental Agencies:			
State	9,325	14,271	(4,946)
Federal	410	2,150	(1,740)
Other	391	7,998	(7,607)
Charges for Current Services	1,499	2,215	(716)
Other Revenue	374	1,485	(1,111)
Total Revenues	21,586	57,117	(35,531)
Expenditures:			
Current:			
General			
Public Protection			
Public Ways and Facilities			
Health and Sanitation			
Public Assistance			
Education			
Recreational and Cultural			
Capital Outlay	102,557	209,992	107,435
Debt Service			
Total Expenditures	102,557	209,992	107,435
Excess of Revenues Over (Under) Expenditures	(80,971)	(152,875)	71,904
Other Financing Sources (Uses):			
Sale of Fixed Assets	881	8,887	(8,006)
Operating Transfers In	92,519	107,341	(14,822)
Operating Transfers (Out)	(29,823)	(29,827)	4
Proceeds of Long-Term Debt	16,172	29,658	(13,486)
Encumbrances, Beginning of Year	277	277	
Total Other Financing Sources (Uses)	80,026	116,336	(36,310)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(945)	(36,539)	35,594
Fund Balances - Beginning of Year	(375)	(375)	
Residual Equity Transfers In	719	719	
Residual Equity Transfers(Out)			
Increase (Decrease) in:			
Reserve for Inventory of Materials and Supplies			
Fund Balances - End of Year	\$ (601)	(36,195)	35,594

FINANCIAL REPORT OF SAN DIEGO COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 1C (Cont)

	TOTALS (MEMORANDUM ONLY)		
	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 306,203	330,335	(24,132)
Licenses, Permits and Franchises	28,312	28,362	(50)
Fines, Forfeitures and Penalties	29,396	35,549	(6,153)
Revenue from Use of Money and Property	40,286	32,583	7,703
Aid from Other Governmental Agencies:			
State	933,920	1,031,162	(97,242)
Federal	512,022	625,831	(113,809)
Other	34,780	37,674	(2,894)
Charges for Current Services	196,435	190,397	6,038
Other Revenue	18,130	25,872	(7,742)
Total Revenues	2,099,484	2,337,765	(238,281)
Expenditures:			
Current:			
General	199,048	277,800	78,752
Public Protection	553,664	610,928	57,264
Public Ways and Facilities	77,556	137,906	60,350
Health and Sanitation	309,251	345,510	36,259
Public Assistance	818,509	978,237	159,728
Education	10,124	11,085	961
Recreational and Cultural	10,762	15,233	4,471
Capital Outlay	102,557	209,992	107,435
Debt Service	58,856	58,882	26
Total Expenditures	2,140,327	2,645,573	505,246
Excess of Revenues Over (Under) Expenditures	(40,843)	(307,808)	266,965
Other Financing Sources (Uses):			
Sale of Fixed Assets	889	8,987	(8,098)
Operating Transfers In	163,665	183,452	(19,787)
Operating Transfers (Out)	(158,394)	(167,315)	8,921
Proceeds of Long-Term Debt	16,172	43,165	(26,993)
Encumbrances, Beginning of Year	55,556	55,556	
Total Other Financing Sources (Uses)	77,888	123,845	(45,957)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	37,045	(183,963)	221,008
Fund Balances - Beginning of Year	150,221	150,221	
Residual Equity Transfers In	161,315	161,315	
Residual Equity Transfers (Out)	(5,653)	(5,653)	
Increase (Decrease) in: Reserve for Inventory of Materials and Supplies	(771)		(771)
Fund Balances - End of Year	\$ 342,157	121,920	220,237

FINANCIAL REPORT OF SAN DIEGO COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
Year Ended June 30, 1998
With Comparative Figures for Year Ended June 30, 1997
(In Thousands)**

STATEMENT 1D

	PROPRIETARY FUND TYPES		TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	1998	Restated 1997
Operating Revenues:				
Charges for Services	\$ 52,397	96,325	148,722	150,945
Operating Expenses:				
Salaries	6,496		6,496	9,068
Claims and Judgments		27,828	27,828	4,948
Cost of Materials		53,234	53,234	40,894
Repairs and Maintenance	1,783	3,653	5,436	40,797
Fuel		3,030	3,030	569
Equipment Rental	947		947	1,255
Sewage Processing	13,624		13,624	9,639
Contracted Services	21,764	150	21,914	29,451
Depreciation	3,444	3,128	6,572	6,179
Utilities	330		330	356
Other	5,328	952	6,280	10,805
Total Operating Expenses	53,716	91,975	145,691	153,961
Operating Income (Loss)	(1,319)	4,350	3,031	(3,016)
Nonoperating Revenues:				
Interest	4,033	1,972	6,005	7,142
Taxes	30		30	35
Grants	1,135		1,135	2,942
Gain on Disposal of Equipment	112,576		112,576	13
Other	90,671		90,671	21,992
Total Nonoperating Revenues	208,445	1,972	210,417	32,124
Nonoperating Expenses:				
Interest on Long-Term Debt	27	241	268	29
Loss on Disposal of Equipment	305	408	713	78
Equity Conveyed to Other Entities	3,456		3,456	
Other	25,438		25,438	120,444
Total Nonoperating Expenses	29,226	649	29,875	120,551
Nonoperating Income (Loss)	179,219	1,323	180,542	(88,427)
Net Income (Loss) Before Operating Transfers	177,900	5,673	183,573	(91,443)
Operating Transfers In		242	242	63,568
Operating Transfers (Out)	(5,221)	(995)	(6,216)	(966)
Net Income (Loss)	172,679	4,920	177,599	(28,841)
Depreciation on Grant Funded Fixed Assets	598		598	633
Increase (Decrease) in Retained Earnings	173,277	4,920	178,197	(28,208)
Retained Earnings				
Beginning Balance	63,578	(36,899)	26,679	54,887
Residual Equity Transfers (Out)	(158,050)	(513)	(158,563)	
Retained Earnings				
Ending Balance	\$ 78,805	(32,492)	46,313	26,679

See Notes to Combined Financial Statements

FINANCIAL REPORT OF SAN DIEGO COUNTY

**COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
Year Ended June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 1E

	PROPRIETARY FUND TYPES		TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	1998	Restated 1997
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ (1,319)	4,350	3,031	(3,016)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by Operating Activities:				
Depreciation	3,443	3,128	6,571	6,178
Decrease (Increase) in Accounts Receivable and Notes Receivable, Net	2,082	(91)	1,991	2,409
Decrease (Increase) in Prepaid Expense	(33)		(33)	
Decrease (Increase) in Due from Other Funds	25,556	(2,445)	23,111	(4,533)
Decrease (Increase) in Inventory of Materials and Supplies, Net	24	(235)	(211)	419
Increase (Decrease) in Accounts Payable	(3,044)	3,243	199	(3,204)
Increase (Decrease) in Accrued Payroll	(139)		(139)	26
Increase (Decrease) in Due to Other Funds	2,048	433	2,481	1,375
Increase (Decrease) in Due to Other Governments	(2,275)		(2,275)	623
Increase (Decrease) in Long-Term Debt Payable	(89,919)	7,848	(82,071)	19,164
Increase (Decrease) in Deferred Revenue	(1,845)		(1,845)	(99)
Other Revenue	90,700		90,700	22,006
Other Expense	(25,438)		(25,438)	(120,402)
Net Cash Provided (Used) by Operating Activities	(159)	16,231	16,072	(79,054)
Cash Flows from Non-Capital Financing Activities:				
Residual Equity Transfer In		3,059	3,059	2,131
Residual Equity Transfer (Out)	(158,050)	(513)	(158,563)	
Payments From Other Funds				1,091
Loan Repayment from Other Agency	40		40	20
Advances Made on Long-Term Loans		(928)	(928)	(385)
Grants	1,608		1,608	2,870
Subsidies Received from Other Funds				63,568
Transfers from (to) Other Funds	(5,221)	241	(4,980)	(515)
Residual Equity Conveyed to Other Entities	(3,436)		(3,436)	
Loans to Other Funds	(100)		(100)	(1,181)
Net Cash Provided (Used) by Non-Capital Financing Activities	(165,159)	1,859	(163,300)	67,599
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Fixed Assets	(1,773)	(6,087)	(7,860)	(10,727)
Proceeds from Sale of Equipment	163,237	181	163,418	274
Principal Paid on Long-Term Debt	(73)	(1,502)	(1,575)	(18)
Interest Paid on Long-Term Debt	(27)	(241)	(268)	(29)
Deposit with Others				1,923
Residual Equity Transfers In		47	47	
Net Cash Provided (Used) by Capital and Related Financing Activities	161,364	(7,602)	153,762	(8,577)
Cash Flows from Investing Activities:				
Interest	4,361	1,945	6,306	7,498
Net Increase (Decrease) in Cash and Cash Equivalents	407	12,433	12,840	(12,534)
Cash and Cash Equivalents-Beginning of Year	54,582	41,914	96,496	109,030
Cash and Cash Equivalents-End of Year	\$ 54,989	54,347	109,336	96,496
Noncash Investing, Capital Financing Activities:				
Acquisition of Fixed Assets From Donations	\$ 683		683	541
Transfer Fixed Assets from(to) Gen Fixed Assets	(38)	(501)	(539)	
Fixed Asset acquisition through Capital Lease		1,603	1,603	
Assumption of Capital Lease From General Long-Term Debt		(4,616)	(4,616)	
Residual Equity Transfer From General Fund		2,594	2,594	2131
Total Noncash Investing Capital Financing Activities	\$ 645	(920)	(275)	2,672

See Notes to Combined Financial Statements

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**PENSION TRUST FUND
STATEMENT OF CHANGES IN PLAN NET ASSETS
Year Ended June 30, 1998
With Comparative Figures for Year Ended June 30, 1997
(In Thousands)**

STATEMENT 1F

	TOTALS	
	1998	Restated 1997
ADDITIONS:		
Contributions:		
Employer	\$ 51,811	61,555
Plan Members	6,757	6,214
Total Contributions	58,568	67,769
Investment Income:		
Net Appreciation (Depreciation) in Fair Market Value of Investments	325,722	401,935
Interest Income	79,300	45,801
Other Income	61,840	47,992
Total Investment Income	466,862	495,728
Total Additions	525,430	563,497
DEDUCTIONS:		
Benefits	110,538	103,716
Refunds of Contributions	670	1,068
Administrative Expense	4,548	3,891
Total Deductions	115,756	108,675
Net Increase (Decrease)	409,674	454,822
Net Assets Held in Trust for Pension Benefits:		
Beginning of Year	3,096,445	2,641,623
End of Year	\$ 3,506,119	3,096,445

FINANCIAL REPORT OF SAN DIEGO COUNTY

INVESTMENT TRUST FUND
STATEMENT OF CHANGES IN NET ASSETS
Year Ended June 30, 1998
With Comparative Figures for Year Ended June 30, 1997
(In Thousands)

STATEMENT 1G

	TOTALS	
	1998	Restated 1997
ADDITIONS:		
Contributions on Pooled Investments	\$ 8,880,803	8,401,226
Interest and Investment Income	69,123	74,949
Total Additions	8,949,926	8,476,175
DEDUCTIONS:		
Distribution from Pooled Investments	8,993,721	8,521,411
Net Increase (Decrease)	(43,795)	(45,236)
Net Assets Held in Trust for Pool Participants:		
Beginning of Year	1,057,295	1,102,531
End of Year	\$ 1,013,500	1,057,295

NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of San Diego (the "County") conform to generally accepted accounting principles (GAAP) applicable to governmental units. The following is a summary of the more significant of such policies.

A. THE FINANCIAL REPORTING ENTITY

The County of San Diego is a political subdivision of the State of California (the "State") charged with general governmental powers and governed by an elected five-member Board of Supervisors (the "Board"). As required by generally accepted accounting principles, these financial statements present the County of San Diego (the primary government) and its component units. The component units, discussed in Note 1B are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

B. INDIVIDUAL COMPONENT UNIT DISCLOSURES

Blended component units are listed below. The first seven component units are legally separate entities which are governed by the San Diego County Board of Supervisors and are reported as if they were part of the primary government because they benefit the County exclusively. The San Diego County Capital Asset Leasing Corporation (SANCAL) is a non-profit corporation governed by a five-member Board of Directors which is appointed by the County Board of Supervisors. SANCAL is reported as if it was part of the primary government because its sole purpose is to finance the acquisition of County buildings and equipment. The San Diego County Employees Retirement Association (SDCERA) is governed by a nine-person Board of Directors of which four members are appointed by the County Board of Supervisors. SDCERA is a legally separate entity reported as if it were part of the primary government, because it exclusively benefits the County by providing pensions for retired County employees. Separate financial statements for the individual component units described above may be obtained from the County Chief Financial Officer/Auditor and Controller.

The first five entities listed below are included as special revenue funds, the sanitation districts as enterprise funds, the Redevelopment Agency, and SANCAL as capital projects and debt service funds, and SDCERA as a pension trust fund.

County Service Areas
Flood Control Districts
Lighting Maintenance Districts
Air Pollution Control District
County of San Diego Housing Authority
Sanitation Districts
San Diego County Redevelopment Agency
San Diego County Capital Asset Leasing Corporation
San Diego County Employees' Retirement Association

C. BASIS OF PRESENTATION

The financial transactions of the County are recorded in individual funds and account groups. The various funds and account groups are reported by type in the financial statements. Amounts in the "Totals-Memorandum Only" columns in the financial statements represent a summation of the combined financial statement line-items of the fund types and account groups and are presented only for analytical purposes. The summation includes fund types and account groups that use different bases of accounting, both restricted and unrestricted amounts, and the caption "amount to be provided," which is not an asset in the usual sense. Consequently, amounts shown in the "Totals-Memorandum Only" columns are not comparable to a consolidation and do not represent the total resources available or total revenues and expenditures/expenses of the County.

The County uses the following fund categories, fund types, and account groups:

Governmental Fund Types

General Fund - To account for all financial resources except those required to be accounted for in another fund. The general fund is the County's operating fund.

Special Revenue Funds - To account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Included in these funds are the general funds of various component entities as described in Note 1B.

Debt Service Fund - To account for the accumulation of resources for the payment of principal and interest on general long-term debt.

Capital Project Funds - To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary fund types).

Proprietary Fund Types

Enterprise Funds - To account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - To account for the financing of goods or services provided by one department to other departments of the County, or to other governments, on a cost-reimbursement basis.

Fiduciary Fund Types

Trust and Agency Funds - To account for assets held by the County as a trustee or as an agent for individuals, private organizations, other governments and/or other funds. These include the pension trust fund (San Diego County Employees' Retirement Association), investment trust fund and agency funds.

Account Groups

General Fixed Assets Account Group - To account for all fixed assets of the County, except those accounted for in the proprietary-fund types.

General Long-Term Debt Account Group - To account for all long-term obligations of the County, except those accounted for in the proprietary-fund types.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Agency funds are custodial in nature and do not involve measurement of results of operations.

All proprietary funds, the pension trust fund and the investment trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity for the proprietary funds (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Financial Accounting Standards Board Statements issued after November 30, 1989, are not applied in reporting proprietary fund operations.

Governmental and Agency fund types are accounted for on the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual, (i.e., both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. Revenues which are accrued include property taxes, sales tax, interest, and state and federal grants and subventions.

Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on long-term debt which is recognized when due; (2) prepaid expenses which are reported as current period expenditures, rather than allocated; and (3) accumulated unpaid vacation, sick leave, and other employee benefits which are reported in the period due and payable rather than in the period earned by employees.

Proprietary fund types, the pension trust fund and the investment trust fund are accounted for on the accrual basis of accounting. Their revenues are recognized in the period earned and expenses are recognized in the period incurred. There are no unbilled utility service receivables for the proprietary fund types.

E. PROPERTY TAXES

Real property taxes are levied on October 15 against owners of record at January 1. The taxes are due in two installments on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. At January 1 all property is subject to lien for unpaid taxes. Secured (real) property taxes which are delinquent and unpaid as of June 30 are declared to be tax defaulted and are subject to redemption penalties, costs and interest when paid. If the delinquent taxes are not paid at the end of five (5) years, the property may be sold at public auction. Delinquent secured property taxes of all taxing jurisdictions and the subsequent collections of these delinquent taxes are held in an agency fund.

F. ASSETS, LIABILITIES, AND FUND EQUITY

Cash and Investments

Investments in County funds are stated at fair value. Securities which are traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Fair value for certain securities in the County's cash and investment pool were determined by using analytical pricing techniques based on interest rate sensitivity (See Note 3A). These securities were purchased to provide stability of yield during periods of interest rate declines and have interest rates that either vary inversely with current market rates of interest or have interest rates that are determined based on the spread relationship between two indices. Accordingly, such securities, which approximate 32 percent of the total "Equity in pooled cash and investments" account, are subject to market risk during times of increasing rates and could result in a loss of principal if sold during such a period. Short-term investments in the Pension Trust Fund are reported at cost, which approximates fair value. The fair value of Pension Trust Fund real estate investments is based on independent appraisals. Investments of the Pension Trust Fund that do not have an established market are reported at estimated fair value.

For purposes of reporting cash flows, all amounts reported as "Equity in Pooled Cash and Investments," "Collections in Transit," and "Imprest Cash" are considered cash equivalents. Pooled cash and investment carrying amounts represent monies deposited in the County Treasurer's cash management pool and are similar in nature to demand deposits, (i.e., funds may be deposited and withdrawn at any time without prior notice or penalty). Allocations of assets and liabilities to individual funds related to reverse repurchase agreements are not considered cash equivalents for purposes of cash flow reporting.

Inventories

Inventories, which consist of expendable supplies, are stated at average cost. They are accounted for as expenditures at the time of purchase and reported in the balance sheet of the General Fund and the Special Revenue Funds of the County Library and Special Districts as an asset with an offsetting reserve. Inventory held by the Road Fund, a special revenue fund, and the proprietary fund types is carried at average cost and is expended when consumed.

Fixed Assets

General fixed assets are recorded as expenditures in the governmental fund types at time of purchase. These assets are capitalized at cost in the General Fixed Assets Account Group. In the case of acquisitions through gifts or contributions, such assets are recorded at fair market value at the time received. No depreciation has been provided on general fixed assets. Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems have not been capitalized. Such assets normally are immovable and of value only to the County; therefore, the purposes of stewardship and cumulative accountability for capital expenditures are satisfied without recording these assets. Proprietary fund type fixed assets are reported in those funds at cost or estimated fair market value at time of donation.

Depreciation is charged to operations of proprietary funds over the fixed assets' estimated useful lives using the straight-line method for structures and improvements, and the hours/miles-of-service method for equipment. The estimated useful lives are as follows:

Structure and Improvements	5-50 years
Equipment	4-20 years

Long-Term Liabilities

Long-term liabilities expected to be financed with resources from governmental fund types are accounted for in the General Long-Term Debt Account Group. Long-term liabilities of all proprietary fund types are accounted for in the respective funds.

Amounts recorded as accumulated leave benefits include an amount representing salary-related payments such as the employer's share of social security and medicare taxes associated with payments made for such compensated absences. Accumulated leave benefits including vacation, sick leave, and compensatory time worked in the amount of approximately \$69.4 million for the governmental fund types as of June 30, 1998, is recorded in the General Long-Term Debt Account Group. These amounts would not be expected to be liquidated from expendable available financial resources but would be expected to be liquidated in future years as employees elect to use these benefits as prescribed by Civil Service rules and regulations.

Reservation/Designation of Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Comparative Data/Totals-Memorandum Only

Comparative data for the prior year has been presented in certain of the accompanying financial statements in order to provide an understanding of changes in the County's financial position and operations. Also, certain of the prior year amounts have been reclassified to conform with the current year financial statement presentations.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

General Budget Policies

An operating budget is adopted each fiscal year for the governmental funds. Annual budgets are not required to be adopted for SANCAL, a non-profit corporation. Accordingly, Special Revenue, Debt Service, and Capital Projects Funds for this entity are not included in the accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances - (Budget and Actual) NonGAAP Budgetary Basis. Unencumbered appropriations for the governmental funds lapse at fiscal year-end. Encumbered appropriations are carried forward to the subsequent fiscal year. Budgets for the governmental funds are adopted on a basis of accounting which is different from generally accepted accounting principles.

The major areas of differences are as follows:

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) are reported as budgeted expenditures in the year the commitment to purchase is incurred. For GAAP purposes, encumbrances outstanding at fiscal year-end are reported as reservations of fund balances and do not constitute expenditures and liabilities, because the appropriations for these commitments will be carried forward and the commitments honored in the subsequent fiscal year.

Long-term capital lease obligations are not budgeted as an expenditure and source of funds in the year the asset is acquired. Under a GAAP basis, such obligations are included as an expenditure and source of funds in the year the asset is acquired.

Loans and deposits to other agencies, if any, and their subsequent repayments are budgeted as expenditures and revenues, respectively. Under a GAAP basis, these items are not recognized as expenditures and revenues.

On a budgetary basis, unrealized gains and losses on the fair value of investments are not recognized. For GAAP purposes, such gains or losses are recognized.

Expenditures may not legally exceed budgeted appropriations at the expenditure object level within each department. Departmental intrafund expenditure transfers do not have the budgetary status of legal appropriations. Therefore, variances between estimated transfers and actual transfers are not displayed in the general purpose financial statements, but are displayed as a general fund schedule within the Comprehensive Annual Financial Report. All amendments to the adopted budget require Board approval and, as such, reported budget figures are as originally adopted or subsequently amended by the Board. Supplemental appropriations during the year ended June 30, 1998, amounted to \$ 211.3 million in the general fund.

B. BUDGETARY TO GAAP BASIS RECONCILIATION

The following schedule is a reconciliation of the budgetary and GAAP fund balances (In Thousands):

BUDGETARY TO GAAP BASIS RECONCILIATION

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Fund Balance-Budgetary Basis	\$174,420	167,589	749	(601)
Encumbrances Outstanding at Year-End	47,916	22,863		134
Fair Value Change in Investment	(1,251)	(1,296)	(18)	(213)
Fund Balances-Non Budgeted Funds		115	28,394	19,659
Fund Balances - GAAP Basis	\$221,085	189,271	29,125	18,979

C. FUND DEFICITS

The following funds have an accumulated deficit at June 30, 1998 (In Thousands):

Special Revenue Funds

Housing and Community Development (HCD) \$ 8

Capital Projects Funds

San Diego County Redevelopment Agency (SDCRA) \$ 1,809

Enterprise Funds

Transit \$ 83

Internal Service Funds

Risk Financing \$57,210

The deficit within the Housing and Community Development fund is due to the recognition of fair value changes in the value of investments. This deficit will be reduced as securities mature. The deficit within the SDCRA fund is due to the use of loan proceeds in advance of the receipt of benefit fees or incremental tax revenues. This deficit will be reduced in future years upon the receipt of the incremental tax revenues. The deficit within the Transit fund is due to inadequate cost recovery from user fees and the recognition of fair value changes in the value of investments. This deficit will be reduced in future years as securities mature and user fees are adjusted to cover costs. The deficit in the Risk Financing fund is due to the prior years' recognition of liabilities based on actuarial studies. This deficit is expected to be reduced over a 10 year period beginning July 1, 1997, through increased rates to County departments and reduced claim experience through increased risk management.

3. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. EQUITY IN POOLED CASH AND INVESTMENTS, CASH, INVESTMENTS, AND OBLIGATIONS UNDER REVERSE REPURCHASE AGREEMENTS

The County maintains a cash and investment pool that is available for use by all funds of the County as well as the funds of other agencies for which the County Treasury is the depository. The San Diego County Treasurer issues a separate annual financial report on the County Investment Pool. This report may be obtained by writing to the San Diego County Treasurer, Room 112, County Administration Center, 1600 Pacific Highway, San Diego, California, 92101 or by calling (619) 531-5211.

Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments." Interest earned on the pooled funds is accrued in a pooled interest apportionment fund and is allocated based on the average daily cash balances of the participating funds. State law requires that interest income related to certain funds be considered income of the general fund of the County. Such interest has been recorded as revenue in the general fund.

"Cash with Fiscal Agents," represents amounts on deposit with trustees for the SANCAL, San Diego County Housing Authority, SDCERA, County revolving funds, and for repayment of General Fund Tax and Revenue Anticipation Notes.

"Investments," represents the Inactive Waste Site Management Fund investments, the Pension Trust Fund investments and bonds held for other agencies.

Deposits: At year-end the carrying amount of the County's deposits was \$792,895,000 and the balance per various financial institutions was \$792,684,000. Of the balance in financial institutions, \$986,000 was covered by federal deposit insurance and \$779,056,000 was collateralized according to State statutes which require depositories having public funds on deposit to maintain a pool of securities with the agent of the depository having a market value of at least 10% in excess of the total amount of all public funds on deposit. Of this amount \$205,542,000 was held by the County or its agent in the County's name and \$573,514,000 was held by the depository's trust department or agent in the County's name. \$12,642,000 was uncollateralized and uninsured. These securities are held by the depository's trust department or agent in the County's name.

Investments: State statutes authorize the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers acceptances, repurchase and reverse repurchase agreements, and negotiable certificates of deposit issued by national and state licensed or chartered banks or federal or state savings and loan associations. Pension Trust Fund investments are authorized by the County Employees' Retirement Law of 1937. Statutes authorize "Prudent Expert" guidelines as to the form and types of investments which may be purchased. The County's investments are categorized below to give an indication of the level of risk assumed by the entity at year end. (In Thousands) Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the

FINANCIAL REPORT OF SAN DIEGO COUNTY

securities are held by counterparty's trust department or agent in the County's name. There were no investments with a risk Category 2 at June 30, 1998. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name.

	CATEGORY		FAIR
	1	3	VALUE
Investments - Categorized			
Bankers Acceptances	\$ 16,315	133,515	149,830
Repurchase Agreements	205,000	14,868	219,868
Commercial Paper	230,817		230,817
U.S. Government Securities	1,050,529		1,050,529
Negotiable certificates of deposit	471,874		471,874
Corporate notes	100,137		100,137
Corporate bonds	603,974	210,058	814,032
Common and preferred stock	1,688,446		1,688,446
Investments held by the County for other agencies:			
U.S. Government Securities	124		124
Corporate bonds	47		47
Common stock	1		1
Subtotal	4,367,264	358,441	4,725,705
Investments - Not Categorized			
Investments held by broker dealers under securities loans:			
U.S. Government securities			132,776
Corporate bonds			69,629
Common and preferred stock			163,462
Mutual Funds			146,767
Real Estate Equity			167,773
TOTAL INVESTMENTS			\$5,406,112

The market value of certain U.S. Government securities, negotiable certificates of deposit and corporate notes held in the County's cash and investment pool were not readily ascertainable and could only be determined by negotiation between the parties in sales transactions. Consequently, estimates for the June 30, 1998, fair values of the securities described above were determined by the use of analytical pricing techniques based on interest rate sensitivity.

Fair values and estimates of fair values are provided monthly by an independent pricing agency and such values are not supported by any guarantees on the part of the pool sponsor or the pricing agency. The County and certain school districts are involuntary pool participants in the County Treasurer's investment pool and represent 91.9 percent of the total pooled cash and investments on hand at June 30, 1998.

Reverse Repurchase Agreements: State statutes permit the County to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The County had no reverse repurchase agreements outstanding at June 30, 1998. Due to significantly higher cash flows and market conditions at certain times during the year, the County's investments in repurchase agreements increased significantly and were substantially higher at those times.

Securities Lending Transactions: Under the provisions of State statutes, the County Treasurer lends U.S. government obligations and SDCERA lends U.S. government obligations, domestic and international bonds and equities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The County's custodial bank manages the securities lending programs for the County Treasurer and receives cash and securities as collateral pledged at 102 percent of the market value of securities lent. Fiscal agents for SDCERA manage the securities lending programs and receive cash securities pledged at 102 percent of fair value for domestic securities lent and 105 percent of the fair value of international securities lent. Additional collateral has to be provided the next business day if its value falls to 100 percent or less of the market value of the securities lent. The collateral securities can not be pledged or sold by the County Treasurer or SDCERA unless the borrower defaults. No more than 20 percent of the Treasurer's pooled investment portfolio may be lent at one time. There is no restriction on the amount of SDCERA securities that may be lent at one time. Securities on loan at year-end are presented as unclassified in the preceding schedule of custodial credit risk and represent transactions of the SDCERA pension trust fund. At year-end, the pension trust fund has no credit risk exposure to borrowers because the amounts SDCERA owes the borrowers exceeds the amounts the borrowers owe SDCERA. The term to maturity of securities loans is generally matched with the term to maturity of the cash collateral. Such matching existed at fiscal year end.

B. RESTRICTED ASSETS-INVESTMENTS

Certain investments have been restricted by operation of law to fund post closure landfill costs over a 30-year period. These investments are recorded in the Inactive Waste Site Special Revenue Fund.

C. GENERAL FIXED ASSETS

The following is a summary of investments in general fixed assets by sources and a summary of changes in general fixed assets as of and for the year ended June 30, 1998.

**Sources of Investments in General Fixed Assets
By Fund at June 30, 1998
(In Thousands)**

General Fund:	
General Fund Revenues	\$ 745,189
Federal and State Grants	3,055
Special Revenue Funds:	
Special Revenue Fund Revenues	75,094
Special Revenue State & Federal Grants	81
Capital Projects Funds:	
Lease Revenue Bonds	174,249
Certificates of Participation	241,575
Total	<u>\$1,239,243</u>

FINANCIAL REPORT OF SAN DIEGO COUNTY

Summary of Changes in General Fixed Assets by Class For the Year Ended June 30, 1998 (In Thousands)

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 171,220	21,117	368	191,969
Structures & Improvements	414,752	81,486	9,512	486,726
Equipment	192,464	12,117	96,469	108,112
Construction in Progress	389,654	69,578	6,796	452,436
Total	\$1,168,090	184,298	113,145	1,239,243

D. PROPRIETARY FUND TYPE FIXED ASSETS

Following is a summary of Proprietary Fund Type Fixed Assets by class as of June 30, 1998 (In Thousands):

	Enterprise	Internal Service
Land	\$ 7,478	
Structures & Improvements	87,003	
Equipment	8,654	40,962
Construction in Progress	3,770	
Total	106,905	40,962
Less Accumulated Depreciation	(37,625)	(13,288)
Net	\$69,280	27,674

E. LEASE COMMITMENTS

The County has commitments under long-term property operating lease agreements for facilities used for operations. These leases do not meet the criteria for capitalization under FASB Statement 13. The County is the lessee under the terms of several noncancellable operating leases for real property used to house certain County facilities. The combined rental cost for which the County is obligated under these leases is as follows (In Thousands):

Fiscal Year	Minimum Payments
1998/99	\$ 5,508
1999/2000	4,137
2000/01	2,152
2001/02	1,218
2002/03	1,018
Thereafter	11,936
Total	\$25,969

FINANCIAL REPORT OF SAN DIEGO COUNTY

Total rental expense for all real property operating leases for the year ended June 30, 1998, was approximately \$14.9 million.

In addition to real property leases, the County has also entered into long-term operating leases for personal property, a large portion of which represents data processing and duplicating equipment. Many of these leases are subject to annual adjustment based upon negotiations. Management expects that in the normal course of business, leases that expire will be renewed or replaced by other leases. Total rental expense for these operating leases for the year ended June 30, 1998, was approximately \$7.5 million.

Certain buildings and equipment are being leased under capital leases as defined in FASB Statement 13. The present value of the minimum lease obligation has been capitalized in the General Fixed Asset Account Group and is reflected as a liability in the General Long-Term Debt Account Group. The County assumes responsibility for all maintenance, repair, and structural modifications under the terms of the lease agreements.

Capital Lease Property Class	June 30, 1998 (In Thousands)
Structures and Improvements	\$113,138
Equipment	39,034
<u>Total</u>	<u>\$152,172</u>

Future minimum lease payments under capital leases consisted of the following at June 30, 1998 (In Thousands):

Fiscal Year	Minimum Lease Payments
1998/99	\$ 15,379
1999/00	14,655
2000/01	14,471
2001/02	13,710
2002/03	13,697
Thereafter	183,153
<u>Total minimum Lease Payments</u>	<u>255,065</u>
Less: Amount representing Interest	(102,893)
<u>Net Lease Payments</u>	<u>\$152,172</u>

F. GENERAL LONG-TERM DEBT

General Long-Term Debt outstanding at June 30, 1998, consists of certificates of participation, capital lease obligations accounted for in accordance with NCGA Statement 5 (See Note 3E), pension obligation bonds, revenue bonds, contracts/loans payable, accumulated unpaid employee leave benefits (See Note 1F) and landfill closure costs as follows (In Thousands):

Obligation	Interest Rate	Final Maturity Date	Original Amount	Amount Outstanding
San Diego County Capital Asset Leasing Corporation (SANCAL):				
1989 Certificates of Participation issued November, 1989	6.20 - 7.10%	2009	\$24,433	\$16,788
1991 Certificates of Participation issued September, 1991	4.80 - 6.50%	2007	38,045	26,785
1993 Certificates of Participation issued March, 1993	3.00 - 5.75%	2013	7,640	6,615
1993 Certificates of Participation issued March, 1993	3.25 - 5.10%	2007	26,085	20,290
1993 Certificates of Participation issued May, 1993	2.50 - 5.625%	2012	203,400	158,225
1996 Certificates of Participation issued May, 1996	4.30 - 5.50%	2018	52,230	52,230
1996 Certificates of Participation issued December, 1996	4.00 - 6.00%	2019	37,690	37,690
1997 Certificates of Participation issued June, 1997	4.00 - 4.80%	2004	28,035	25,040
1997 Certificates of Participation issued July, 1997	4.00 - 5.00%	2025	80,675	80,675
Total Certificates of Participation			498,233	424,338
Capitalized Leases:				
San Diego Regional Building Authority Lease beginning October, 1991	4.60 - 6.36%	2019	46,965	42,100
San Diego Regional Building Authority Lease beginning July, 1993	4.00 - 7.56%	2023	71,630	66,830
Third Party Financing Leases:				
Motorola Corporation Lease beginning December 1995	5.65%	2011	39,772	36,020
Others				
various beginning dates from December, 1991 to the present	4.54 - 8.00%	1996 - 2007	11,867	7,222
Total Capitalized Leases			170,234	152,172

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Obligation	Interest Rate	Final Maturity Date	Original Amount	Amount Outstanding
Other Long-Term Obligations:				
Pitney Bowes	4.78%	2003	\$ 1,600	\$ 1,600
Calif. Integrated Waste Mgmt Board	5.83 5.87%	2016	1,260	1,260
Total Other Long-Term Obligations			2,860	2,860
Taxable Pension Obligation Bonds				
Series A	4.70 6.60%	2007	430,430	395,475
Revenue Bonds				
Redevelopment Agency Series 1995	4.75 6.75%	2020	5,100	5,035
Total			1,106,857	979,880
Accumulated Unpaid Employee Leave Benefits				69,438
Inactive Landfill Closure				101,000
Total General Long-Term Debt				\$1,150,318

The certificates of participation of the SANCAL non-profit corporation listed above are secured by annual base rental lease payments payable by the County for use of the facilities constructed or equipment purchased from debt proceeds. The capital leases between the County and SANCAL have been eliminated for financial reporting purposes and the related assets and debt (e.g. certificates of participation of SANCAL) are reported as San Diego County's assets and debt, respectively.

Changes in General Long-Term Debt for the year ended June 30, 1998, are summarized as follows (In Thousands):

	Beginning Balance	Additions	Retirements	Ending Balance
Lease Revenue Bonds/Certificates of Participation	\$ 420,338	80,675	76,675	424,338
Capital Lease Obligations	169,275	4,226	21,329	152,172
Contracts/Loans Payable		2,860		2,860
Pension Obligation Bonds	414,435		18,960	395,475
Redevelopment Agency Revenue Bonds	5,100		65	5,035
Arbitrage Rebate	124		124	0
Accumulated Unpaid Employee Leave Benefits	66,384	3,054		69,438
Inactive Landfill Closure	98,504	2,496		101,000
Total	\$1,174,160	93,311	117,153	1,150,318

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The following is a schedule of debt service requirements to maturity, including interest, for General Long-Term Debt outstanding at June 30, 1998 (In Thousands). Accumulated unpaid employee leave benefits and Landfill Closure are excluded since they are not estimable due to timing of payments.

Fiscal Year Ending June 30	Certificates of Participation	Capital Leases	Other Long-Term Obligations	Pension Obligation Bonds	Redevelop- ment Agency	Total
1999	\$ 42,409	15,379	329	46,427	395	104,939
2000	47,061	14,655	504	48,756	406	111,382
2001	47,369	14,471	499	51,195	411	113,945
2002	47,610	13,710	495	53,753	420	115,988
2003	47,545	13,697	490	56,448	424	118,604
2004-2008	202,383	67,352	757	281,541	2,127	554,160
2009-2013	98,210	57,091	474		2,164	157,939
2014-2018	49,338	36,687	234		2,192	88,451
2019-2023	31,724	22,023			1,331	55,078
2024-2026	14,951					14,951
Total	\$628,600	255,065	3,782	538,120	9,870	1,435,437

Prior Year Defeasance of Debt

In prior years, the County defeased certain lease revenue bonds by placing the proceeds of the original issue plus additional County contributions in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At June 30, 1998, \$119.1 million of bonds outstanding are considered defeased.

Advance Refunding of Long-Term Debt

San Diego County Capital Asset Leasing Corporation (SANCAL)

On July 15, 1997, SANCAL issued \$80.7 million in Certificates of Participation (COP) with an average interest rate of 5.4 percent to advance refund \$58.5 million of COP issued by SANCAL in 1994 with an average interest rate of 6.4 percent and \$6 million in COP issued by the San Diego Regional Building Authority (the "Authority") in 1994 with an average interest rate of 6.4 percent. The COP issued by the Authority was secured by a long-term capital lease between the County and the Authority. The net proceeds of \$76 million (less \$2.8 million in bond discount and after payment of \$1.9 million for bond insurance, underwriting fees, and other issuance costs) were used to purchase \$71.2 million in U.S. government securities and to fund certain reserves for the COP.

Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the respective debt issues cited above. As a result, the SANCAL 1994 COP and the Authority's 1994 COP are considered defeased. The liability for those COP issued by SANCAL and the long-term capital lease between the County and the Authority securing the Authority's COP have been removed from the general long-term debt account group.

SANCAL advance refunded SANCAL's 1994 COP and the Authority's 1994 COP cited above to achieve short-term budgetary savings to the County and to reduce the total debt service payments over the next 29 years by approximately \$2.3 million and to obtain an economic gain (difference between the present values on the old and new debt) of approximately \$1.7 million.

Significant Long-Term Capital Lease

In November 1997, the County entered into a long-term capital lease with Koch Financial Corporation to finance the acquisition and construction of lighting and mechanical equipment for various County facilities. The net present value of the lease is \$3.17 million with various interest rates ranging from 4.5 to 4.7 percent and terminating in 2006.

Inactive Landfill Closure Costs

The County maintains 17 waste disposal sites that were closed prior to 1985. Consistent with State and Federal regulations pertaining to closed landfills, post closure costs for these landfills, to include facilities maintenance and groundwater monitoring over a 30 year period, is estimated at \$101 million in current year costs. This amount has been recorded in the general long-term debt account group. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The County has funded this liability from cash reserves created from the sale of the solid waste system as described in Note 4B.

G. PROPRIETARY FUND TYPES LONG-TERM DEBT

Proprietary fund types long-term debt consists of revenue bonds, loans payable, contracts payable, capital leases and unpaid accumulated employee leave benefits. The revenue bonds are general obligations of the issuing district and as such, the district is empowered and obligated to levy ad valorem taxes upon all taxable property within the district without limit as to rate or amount for the

FINANCIAL REPORT OF SAN DIEGO COUNTY

purpose of paying the principal and interest. The bonds are also payable from restricted sewer service revenues of the issuing districts. A schedule of Proprietary Fund Types Long-Term Debt is as follows (In Thousands):

Obligation	Interest Rate	Final Maturity Date	Original Amount	Amount Outstanding 6/30/1998
Revenue Bonds:				
Alpine Sanitation 1970A	6.70 - 7.00%	2001	\$ 285	\$ 85
Loans:				
Julian Sanitation	5.3%	2003	61	20
Capital Leases:				
Mail/Print/Records ISF				
Koch Financial	4.73%	2002	166	166
Pitney Bowes	4.62%	2003	249	249
Fleet ISF:				
Koch Financial	4.88 - 5.63%	2002	5,803	4,302
Total			6,564	4,822
Contract Payable Spring Valley Sanitation District				345
Unpaid Accumulated Employee Leave Benefits				318
Total Proprietary Fund Types Long-Term Debt				\$5,485

The following is a schedule of debt service requirements to maturity, including interest, for Proprietary Fund Types Revenue Bonds, Capital Leases, and Loans Outstanding at June 30, 1998. Accumulated unpaid employee leave benefits are excluded because they are not estimable due to timing of payments (In Thousands).

Year Ending June 30	Revenue Bonds	Loans	Capital Leases	Total
1999	\$25	5	2,024	2,054
2000	24	4	1,830	1,858
2001	22	5	1,130	1,157
2002	26	4	285	315
2003		5	95	100

H. SPECIAL ASSESSMENT DEBT

The County Treasurer/Tax Collector acts as an agent for property owners and bondholders in collecting and forwarding special assessment monies. The County is not obligated for repayment of any special assessment bonds and all special assessment debt is solely the obligation of various separate governmental agencies. The amount of special assessment debt outstanding for which the County is a fiduciary is \$21.8 million at June 30, 1998.

I. INTERFUND RECEIVABLE AND PAYABLE BALANCES

Individual Fund interfund balances at June 30, 1998 were (In Thousands):

	Due From Other Funds	Due To Other Funds
General Funds:	\$103,600	32,459
Special Revenue Funds:		
Road Fund	3,176	965
Inactive Waste Site	20	300
Lighting District	26	31
Air Pollution District	455	88
County Library Fund	34	93
Asset Forfeiture Program Fund	30	51
Inmate Welfare Program	234	224
HCD	4,094	5,018
Cable TV Fund	14	13
Park Land Dedication	69	250
Trial Court Operations		16
County Service Area Funds	125	641
Flood Control District Funds	27	210
Housing Authority Fund	362	740
Other Special District Funds	3	3
Total Special Revenue Funds	8,669	8,643
Debt Service Funds:		
Pension		83
Nonprofit Corporation Funds	16	
Redevelopment Agency Funds	12	
Total Debt Service Funds	28	83

FINANCIAL REPORT OF SAN DIEGO COUNTY

I. INTERFUND RECEIVABLE AND PAYABLE BALANCES (Continued)

	Due From Other Funds	Due To Other Funds
Capital Projects Funds:		
Capital Outlay Funds	\$14,463	5,634
Edgemoor Development Fund	10	
Nonprofit Corporation Funds	1,760	9,466
Redevelopment Agency Funds	15	25
Total Capital Projects Funds	16,248	15,125
Enterprise Funds:		
Airport Fund	77	155
Liquid Waste Fund	500	109
Transit Fund	346	20
Sanitation Districts	467	4,167
Total Enterprise Funds	1,390	4,451
Internal Service Funds:		
Road & Communication Funds	821	3,454
Purchasing Funds	4,353	
Risk Financing	89	637
Fleet Services	2,717	95
Mail, Print, Records	106	220
Other Miscellaneous Funds	63	181
Total Internal Service Funds	8,149	4,587
Trust and Agency Funds:		
Pension Trust Fund	52	9,814
Property Tax Collection Funds	1,366	4,980
Investment Trust Fund	14,119	33,853
County Departmental Funds	2,952	27,179
Special Purpose Funds	11,441	26,840
Total Trust & Agency Funds	29,930	102,666
Total Due From - Due To	\$168,014	168,014

I. INTERFUND RECEIVABLE AND PAYABLE BALANCES (Continued)

	Advances To Other Funds	Advances From Other Funds
General Fund:	\$ 689	
Special Revenue Funds:		
County Service Area Funds		\$675
Flood Control District Funds	157	
Total Special Revenue Funds	157	675
Debt Service Funds:		
Nonprofit Corporation Funds	561	
Redevelopment Agency Funds		287
Total Debt Service Funds	561	287
Capital Projects Funds:		
Redevelopment Agency Funds		3,298
Enterprise Funds:		
Airport Fund	2,604	
Sanitation Districts Fund	135	362
Solid Waste		
Total Enterprise Funds	2,739	362
Internal Service Funds:		
Special District Loans Funds	476	
Total Internal Services Funds	476	
Total Advances To -		
Advances From	\$4,622	\$4,622

J. RESIDUAL EQUITY TRANSFERS

Residual Equity transfers consisted primarily of transfers from the dissolution of the Solid Waste Enterprise Fund to the General Fund and the Inactive Waste Site Special Revenue Fund. Total residual equity transfers in \$161.3 million do not equal the residual equity out transfers of \$164.2 million. The difference of \$2.9 million reflects additions to contributed capital to the Fleet ISF from the General Fund of \$5.6 million and the reduction of contributed capital for the Road and Communication Equipment ISF of \$2.7 million which was transferred to the General Fund.

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K. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The County maintains four Enterprise Funds which provide airport, liquid and solid waste, and transit services. Segment information for the year ended June 30, 1998, for those funds and eight sanitation districts for which the Board of Supervisors has oversight responsibility was as follows (In Thousands):

	Airport	Liquid Waste	Transit	Solid Waste	Sanitation Districts	Totals
Operating Revenue	\$ 4,261	\$4,430	\$8,909	\$15,263	\$19,534	\$52,397
Depreciation	734	10	598	585	1,517	3,444
Operating Income (Loss)	(544)	(156)	(711)	(1,921)	2,013	(1,319)
Tax Revenue	-	-	-	-	30	30
Grant Revenue	650	-	-	485	-	1,135
Other Nonoperating Revenue	360	36	188	204,083	2,613	207,280
Nonoperating Expenses	65	227	-	25,438	3,496	29,226
Nonoperating Income or (Loss)	945	(191)	188	179,130	853	179,219
Net Income (Loss)	334	(507)	(523)	172,248	1,127	172,679
Capital Contributions	-	-	(45)	(5,708)	605	(5,148)
Plant Property and Equipment:						
Additions	358	54	-	807	1,244	2,463
Deletions	143	393	45	76,511	140	77,232
Net Working Capital	8,798	892	(83)	-	41,511	51,118
Total Assets	28,824	1,229	6,441	-	93,319	129,813
Total Equity	28,331	796	2,279	-	88,224	119,630
Long-Term Liabilities	106	212	-	-	450	768

L. CONTRIBUTED CAPITAL

During fiscal year 1997/98, contributed capital increased or decreased by the following amounts (In Thousands):

Enterprise Funds

SOURCE	Airport	Liquid Waste	Transit	Solid Waste	Sanitation Districts
Capital Grants	\$		(45)	(139)	
Developer's Contributions					605
Government's Contributions				(5,569)	
Total Additions (Reductions)	-	-	(45)	(5,708)	605
Accumulated Depreciation on Grant Funded Fixed Assets			(5,168)		
Contributed Capital, July 1	15,922	695	7,575	5,708	21,241
Contributed Capital, June 30	\$15,922	695	2,362	-	21,846

Internal Service Funds

Source	Road/Arts		Special		Other		Mail/	Total
	Construction		Loans	Funding	Misc	Fleet	Records	
	Equipment	Purchasing						
Governments' Contributions								
Total Additions						7,616		
Total (Reductions)	\$(2,928)		9			(4,616)	574	655
Contributed Capital, July 1	12,469	1,171	887	-	4	10,580		25,111
Contributed Capital, June 30	\$ 9,541	1,171	896	-	4	13,580	574	25,766

M. Equity Conveyed to Other Entities

In March 1998, two sanitation districts, 4-S Ranch and Rancho Cielo, were dissolved. The remaining equity in these districts was conveyed to Olivenhain Municipal Water District, which assumed responsibility for sewer services previously provided by the dissolved districts.

4. OTHER NOTE DISCLOSURES

A. COMMITMENTS AND CONTINGENCIES

(1) Litigation

In addition to the accrued liability for litigation and Workers Compensation claims described in Note 4C, the County has a potential liability of \$10.6 to \$14.0 million that could result if unfavorable final decisions were rendered in numerous lawsuits to which the County is a named defendant. Appropriations are budgeted annually for those portions of obligations coming due that fiscal year. Estimates of potential liabilities described above include estimates of claims incurred but not reported at June 30, 1998.

(2) Unrecorded Leave Benefits

County employees have unrecorded accumulated benefits of approximately \$90.6 million in sick leave. These benefits are not payable to employees upon termination and are normally liquidated in future years as employees elect to use their benefits as prescribed by Civil Service rules and regulations. Accumulated vacation, sick leave, and compensatory time-off for which employees are eligible for payment upon separation has been recorded as current or long-term liabilities in the appropriate funds or General Long-Term Debt Account Group as described in Note 1F.

(3) Tax and Revenue Anticipation Notes

At June 30, 1998, \$225 million of Tax and Revenue Anticipation Notes issued during fiscal year 1997/98 were still outstanding. Monies for complete redemption of these notes were fully segregated with an independent trustee at June 30, 1998, and subsequently used to redeem the notes on September 30, 1998. On July 1, 1998, the County issued \$175 million of Tax and Revenue Anticipation notes to finance fiscal year 1998/99 General Fund cash flow requirements. The issues will be redeemed on September 30, 1999.

(4) Teeter Obligation Commercial Paper Notes

From November 1995 through June 1998, the County issued \$42.2 million in taxable and \$130.2 million in tax-exempt commercial paper notes (CP) to provide ongoing financing for tax apportionments to taxing jurisdictions within the County in the amount of delinquent secured property taxes due these districts. The notes are secured by delinquent secured property tax collections. No CP can be issued for a period longer than 270 days. At June 30, 1998, the outstanding balances of CP were \$19.7 and \$47.0 million for taxable and tax-exempt notes, respectively.

(5) Third Party Debt

Mortgage Revenue Bonds

Multi-family Housing Revenue Bonds are issued to provide construction and permanent financing to developers of multi-family residential rental projects located in the County to be partially occupied by persons of low or moderate income. Between December 1985 and December 1996, the County issued \$39.2 million of Mortgage Revenue Bonds of which \$37.5 million were still outstanding as of June 30, 1998.

Certificates of Participation

Certificates of Participation were issued to refund the California Health Facilities Financing Authority Insured Hospital Revenue Bonds Series 1989A and Series 1991A and to finance a portion of a major capital facilities improvement to Sharp memorial Hospital's Special Intensive Care Unit, Cardiac Catheterization Laboratories and patient rooms. The County entered into an installment purchase agreement with the San Diego Hospital Association and Sharp Chula Vista Medical Center to issue \$112 million of Certificates of Participation on April 1998 of which \$112 million were still outstanding as of June 30, 1998.

Industrial Development Revenue Bonds

Industrial Development Revenue Bonds have been issued to provide financial assistance for the acquisition, construction, and installation of facilities for industrial, commercial, or business purposes to mutually benefit the citizens of the County. The County issued \$3.5 million of Industrial Development Revenue Bonds in October 1987 of which \$2.4 million were still outstanding as of June 30, 1998.

Mortgage Revenue Bonds, Certificates of Participation and Industrial Development Revenue Bonds as described above, together with interest thereon, are limited obligations of the County payable solely from bond proceeds, revenues and other amounts derived solely from home mortgage and health institutions, developer loans secured by first deeds of trust, irrevocable letters of credit, and irrevocable surety bonds. In the opinion of County officials, these bonds are not payable from any revenues or assets of the County, and neither the full faith and credit nor the taxing authority of the County, the State or any political subdivision thereof is obligated to the payment of the principal or interest on the bonds. Accordingly, no liability for these bonds have been recorded in the General Long-Term Debt Account Group.

(6) Federal Programs

The County participates in a number of federal financial assistance programs. Although these programs have been audited through June 30, 1997, in accordance with the provisions of the Single Audit Act of 1996, the resolution of previously identified questioned costs has not occurred. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

(7) SDCERA

SDCERA is party to managed future contracts, financial instruments with off-balance sheet risk, to generate earnings and to hedge the investments in fixed income securities and common stocks, thereby reducing its own exposure to fluctuations in market conditions. These contracts include, but are not limited to contracts for delayed delivery of securities, commodities or currencies in which the seller agrees to make delivery at a specified future date of a specified instrument at a specified price or yield. Risks arise from the possible inability of counterparties to meet the terms of their contract. The risk of accounting loss from this off-balance sheet financial instrument includes the credit risks and the possibility that future changes in market prices may make such a financial instrument less valuable (market risk).

Not reflected in the pension trust fund financial statements are commitments to acquire real estate totaling \$53.8 million.

B. SALE OF SOLID WASTE SYSTEM

In 1991, the County entered into a series of contracts for the construction and operation of a large scale waste processing facility in the City of San Marcos (the "North County Recycling Center"). The majority of the costs of the North County Recycling Center were financed in 1991 by the issuance of \$134.1 million Solid Waste Revenue Bonds (the "NCRC Bonds") by the California Pollution Control Financing Authority. In connection with the development of the North County Recycling Center and the issuance of the NCRC Bonds, the County entered into a service agreement (the "Service Agreement") with North County Resource Recovery Associates ("NCRRA"), the owner/operator of the North County Recycling Center, which required the County to deliver (or cause the delivery of) specified amounts of solid waste to the North County Recycling Center, and to pay a service fee whether or not such waste was delivered. In addition to the Service Agreement, the County also entered into an agreement (the "Consent and Agreement") with the issuer of the letter of credit covering the payment of principal and interest on the NCRC Bonds.

Within eighteen months of opening the plant, three outstanding factors concerning the Facility's operation had the effect of placing considerable financial stress on the Solid Waste System. These factors included the service fee payment obligation under the Service Agreement, the minimum solid waste delivery commitment under the Agreement, and the declining waste delivery tonnage to the Solid Waste System. Since the bonds were issued, the total amount of solid waste generated declined significantly below initial projections and several cities in the County have committed to disposal outside the System. Additionally, litigation involving compliance with the conditional use permit for the San Marcos landfill was adjudicated with the result that the San Marcos facility became non-operational. Litigation pending against the County sought a permanent closure of the facility. In July 1996, the County undertook various actions to terminate the Service Agreement with NCRRA.

In December 1996, the Board of Supervisors authorized the divestiture of the Solid Waste System and in June 1997 a payment of \$120.3 million was made to allow NCRAA to defease the aforementioned Solid Waste Revenue Bonds. In August 1997, as a result of competitive bidding, the County entered into a contract of sale with Allied Waste Industries, Inc. The sale included the transfer of title to all active landfills, title to the NCRC, and the transfer of all landfill closure and post closure liabilities. Cash proceeds of \$179.1 million were received consisting of \$163.2 million from the purchaser and \$15.9 million in held in trust as a post closure liability reserve. This sale, including the gain on the sale of fixed assets, has been recorded in the Solid Waste Enterprise Fund. Of the sale proceeds received, the Board of Supervisors established an ordinance to transfer \$103 million to a separate fund to be used solely to satisfy post closure liabilities on inactive landfills over the next 30 year period. Additionally, \$56 million was transferred to the General Fund to increase cash reserves in that fund. Subsequent to these transactions, the Solid Waste Enterprise Fund was dissolved.

C. RISK MANAGEMENT

The County operates a Risk Management Program, whereby it is self-insured for premises liability at medical facilities, medical malpractice, errors and omissions, false arrest, forgery, general liability, and workers' compensation. The County purchases insurance for property damage, certain casualty claims, and loss of money up to \$10,000 per selected site locations. The amount and coverage remains the same as in the prior year. Settlements in the areas covered have not exceeded insurance coverage for each of the past three fiscal years. During fiscal year 1994/95, the County established an Internal Service Fund (ISF) to report all of its uninsured risk management activities. Risk management liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. An actuarial evaluation was used to determine the outstanding liabilities at June 30, 1997. The actuarial estimate was based partially on the experience of similar governmental entities and included the effects of specific incremental claim adjustment expenses, salvage and subrogation if such factors could be estimated. This estimate may be modified in future years to reflect the historical accumulation of the County's actual claims experience. At June 30, 1998, the amount of these liabilities including an estimate for claims incurred but not reported, was estimated at \$84.2 million, including \$28.4 million in public liability and \$55.8 million in workers' compensation. The County began allocating the cost of providing claims service to all its operating funds as a "premium" charge expressed as

a percentage of payroll beginning fiscal year 1996/97. Changes in the balances of claim liabilities for fiscal year 1996/97 and 1997/98 were as follows (In Thousands):

	Beginning-of-Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
1996/97	\$93,527	\$ 229	\$(17,346)	\$76,410
1997/98	76,410	21,809	(13,962)	84,257

D. JOINT VENTURE

The County is a participant with 16 incorporated cities in a joint venture to operate an emergency services organization for the purpose of providing regional planning and mutual assistance in the event of an emergency or disaster in the region including accidents involving hazardous waste. The organization is governed by the Unified Disaster Council composed of one voting member from each represented jurisdiction. A contractual agreement requires that the cities provide one half of the total required funding each year. The County, by agreement, also provides one half of the required yearly funding. Any participant may terminate participation in the agreement by giving 120 days notice prior to the beginning of the next fiscal year. Total participant contributions for the 1997/98 fiscal year were \$373,906. The organization had a cumulative surplus of \$453,098 at June 30, 1998. Separate financial statements for the joint venture may be obtained from the County Chief Financial Officer/Auditor and Controller.

E. JOINTLY GOVERNED ORGANIZATIONS

The County Board of Supervisors jointly governs two service authorities, the Service Authority for Abandoned Vehicles and the Service Authority for Freeway Emergencies. These Authorities are governed by two seven-member boards, consisting of representatives from the city councils of the incorporated cities within the County and two members of the County Board of Supervisors. The purpose of the authorities is to provide for the removal of abandoned vehicles on streets and highways and to provide for freeway emergency call boxes on major freeways within the County, respectively. Funding for the authorities is derived from vehicle license fee surcharges, which are collected by the State and deposited into the County Treasury. The County provides minimal administrative staff support for these authorities.

The County Board of Supervisors and the San Diego City Council jointly govern the San Diego Consortium & Private Industry Council (the "Consortium"). The Consortium's Board of Directors consists of two members of the County Board of Supervisors, two members from the San Diego City Council and one member of a charitable organization. The purpose of the Consortium is to provide employment training to area residents. Funding for such training is provided by State and Federal grants.

The County also jointly governs the San Dieguito River Valley Authority, the Serra Cooperative Library System, Southern California Regional Training and Development Center, and the Van Horn Regional Treatment Facility. The governing boards of these entities consists of representatives from the County and/or other regional governments and other counties. The County does not appoint a voting majority to the above boards. Services provided by these entities include park land acquisition, coordination of library services, regional governmental training, and treatment of emotionally disturbed youth.

F. SAN DIEGO COUNTY EMPLOYEES' RETIREMENT SYSTEM

(1) Plan Description

The SDCERA administers a single-employer defined benefit pension plan which provides retirement, disability, and death benefits for plan members and beneficiaries pursuant to the County Retirement Law of 1937 enacted and amended by the State legislature. The plan is integrated with the Federal Social Security System. Cost-of-living adjustments are provided to members and beneficiaries at the discretion of the SDCERA Board of Retirement. SDCERA issues a publicly available financial report that includes financial statements and required supplementary information for the pension plan. The financial report may be obtained by writing to the San Diego County Employees Retirement Association, 1495 Pacific Highway, Suite 400, San Diego, California 92101 or by calling (619) 515-6800.

(2) Basis of Accounting and Fair Value of Investments (See Notes 1D and 1F, respectively).

(3) Funding Policy

State statutes require member contributions to be actuarially determined to provide a specific statutory level of benefit. Member contribution rates, as a percentage of salary, vary according to age at entry, benefit tier level, and certain negotiated contracts which provide for the County to pay a portion of the employees' contribution. Member contribution rates (weighted average) expressed as a percentage of salary are 7.12% for general members and 10.24% for safety members. The County is also required by State statutes to contribute at an actuarially determined rate; the 1997/98 rates, expressed as a percentage of covered payroll, are 3.48% for general members and 7.84% for safety members.

(4) Annual Pension Cost

For Fiscal Year 1997/98, the annual pension cost of \$24.3 million for the SDCERA pension plan was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 1996, actuarial evaluation using the entry age actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return; (b) projected salary increases of 5.0%. Both (a) and (b) included an inflation component of 4.5%. The actuarial value of assets was determined using techniques that smooth the effects of short term volatility in the market value of investments over a five year period. Any unfunded actuarially accrued liability would be funded as a level percentage of projected payroll over a closed five year period.

(5) Schedule of Funding Progress (In Millions):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
6/30/95	\$2,172.9	\$2,148.6	\$0	101.1%	\$550.7	0%
6/30/96	2,370.5	2,340.7	0	101.3%	561.7	0%
6/30/97	2,688.1	2,487.9	0	108.0%	581.4	0%

(6) Three-Year Trend Information (In Thousands):

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/96	\$37,534	100%	\$0
6/30/97	23,269	100%	0
6/30/98	24,320	100%	0

(7) Postretirement Health Care Benefits:

Depending on the availability of fund earnings, SDCERA provides postretirement health care benefits on a pay as you go basis for retirees who have had at least ten years employment with the County. SDCERA contributes health insurance premiums for five sponsored health maintenance organizations of \$160 per month for each retiree under the age of 65 with 20 or more years of service and \$83 per month for each retiree over the age of 65 with 10 or more years of service plus a cost of living adjustment based on years since retirement. Premium amounts in excess of these amounts are paid by the retiree. SDCERA also reimburses a fixed amount of \$31 per month for a Medicare supplement for each retiree over age 65. State statutes governing County retirement systems provide authority for SDCERA, with the consent of the SDCERA Board of Directors, to make such payments from interest earnings in excess of interest required to be credited to specific statutory reserves. SDCERA is not obligated to provide such benefits in future years and retired employees have no vested rights to receive such benefits. Accordingly, these postretirement health care benefits are not defined benefits as are pension plan benefits.

Approximately 7,600 retirees or surviving spouses are eligible to receive these benefits. SDCERA recognizes the cost of providing those benefits by expending annual insurance premiums, which approximated \$7 million for fiscal year 1997/98. A reserve established by the SDCERA Board of Directors for the payment of postretirement health care benefits was approximately \$133 million at June 30, 1998, a \$105 million increase from the previous fiscal year.

(8) Equity and Bond Swaps and Futures Contracts:

SDCERA utilizes various financial instruments such as equity and bond interest rate swap agreements and stock and bond futures contracts in order to synthetically create exposure to the equity and bond markets. These financial instruments are intended to be equivalent to the asset they are designed to emulate and SDCERA management believes such investments offer significant advantages over the direct investment in securities including lower transaction fees and custody costs. The SDCERA governing board of directors has adopted a policy whereby specified amounts of cash and certain securities equal the exposures resulting from these agreements.

The use of swap agreements does expose the pension trust fund to the risk of dealing with financial counterparties and their ability to meet the terms of the contracts. Forward contracts for the purchase of certain commodities are reported at fair value in the financial statements. Obligations to purchase the commodities are not recognized until the commodities are delivered.

G. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participants' rights under the plan are equal to the fair value of the deferred account for each participant.

The assets and liabilities of the deferred compensation plan are accounted for in an agency fund of the County. Total assets of the plan at June 30, 1998, are valued at \$275.4 million and are reported at fair value.

It is the opinion of the County legal counsel that the County has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor.

Pursuant to governmental regulations affecting deferred compensation plans, the County intends to amend this plan in fiscal year 1998/99. See discussion of Governmental Standards Statement No. 32 in note 4H.

H. NEW GOVERNMENTAL ACCOUNTING STANDARDS

The Governmental Accounting Standards Board has issued Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," which establishes accounting and reporting standards for certain investments held by internal investment pools and all investments held by external investment pools. The County has adopted the new standards for the

FINANCIAL REPORT OF SAN DIEGO COUNTY

current year and established an "Investment Trust Fund." The adoption of this standard has resulted in a restatement of prior years' financial statement amounts to provide comparability. The effects of these restatements by fund type as of June 30, 1997 and 1996, are as follows (In Thousands):

1997 <u>Fund</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Fund Equity</u>
General	\$120	\$	\$ 120
Special Revenue	(953)		(953)
Debt Service	(509)		(509)
Capital Projects	(3,382)		(3,382)
Enterprise	672		672
Internal Service	(1,485)		(1,485)
Trust and Agency	(72,497)	(1,129,792)	1,057,295

1996 <u>Fund</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Fund Equity</u>
General	\$(1,345)	\$	\$(1,345)
Special Revenue	(1,518)		(1,518)
Debt Service	(2,224)		(2,224)
Capital Projects	(4,885)		(4,885)
Enterprise	(1,354)		(1,354)
Internal Service	(1,553)		(1,553)
Trust and Agency	(108,425)	(1,210,956)	1,102,531

The Governmental Accounting Standards Board October 1997 issued Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", which establishes accounting and reporting standards for deferred compensation plans established in accordance with section 457 of the Internal Revenue Code. The County has not adopted the new standard for the current year but must adopt the standard for the fiscal year beginning July 1, 1999. The County has not determined the effect on the financial statement in the year of adoption.

I. TRANSFER OF TRIAL COURT FINANCING TO THE STATE OF CALIFORNIA

On September 13, 1997, the State of California passed the Trial Court Funding Act of 1997 with an effective date of January 1, 1998. The act provides for the transfer of budgetary responsibilities for trial court operations from the County to the State. The State, through a state appointed judicial council, will now be responsible for approving budgets for all trial courts in California. This act provides for trial courts to operate independently of the County Board of Supervisors and to contract with the County or other providers for services. Accordingly, trial courts are no longer considered under the jurisdictional authority of the County Board of Supervisors and are now accounted for as a separate agency. This change is reflected primarily as a reduction of salaries, services and supplies in the courts as shown in the "GENERAL FUND SCHEDULE OF REVENUES AND EXPENDITURES - (BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS".

GENERAL FUND

THE GENERAL FUND FINANCES THE LEGALLY AUTHORIZED ACTIVITIES OF THE COUNTY OF SAN DIEGO NOT PROVIDED FOR IN OTHER RESTRICTED FUNDS. GENERAL FUND REVENUES ARE DERIVED FROM SUCH SOURCES AS TAXES, LICENSES AND PERMITS, FINES, FORFEITURES AND PENALTIES, USE OF MONEY AND PROPERTY, AID FROM OTHER GOVERNMENTAL AGENCIES, CHARGES FOR CURRENT SERVICES, AND OTHER REVENUE. GENERAL FUND EXPENDITURES AND ENCUMBRANCES ARE CLASSIFIED BY THE FUNCTIONS OF GENERAL GOVERNMENTAL, PUBLIC PROTECTION, PUBLIC WAYS AND FACILITIES, HEALTH AND SANITATION, PUBLIC ASSISTANCE, EDUCATION, RECREATIONAL AND CULTURAL SERVICES, CAPITAL OUTLAY, AND DEBT SERVICE. APPROPRIATIONS ARE MADE FROM THE FUND ANNUALLY. THE FUND WILL CONTINUE TO EXIST INDEFINITELY.

FINANCIAL REPORT OF SAN DIEGO COUNTY

**GENERAL FUND
BALANCE SHEET
JUNE 30, 1998
With Comparative Figures for Year Ended June 30, 1997
(In Thousands)**

STATEMENT 2

	1998	Restated 1997
ASSETS		
Equity in Pooled Cash and Investments	\$ 52,365	8,734
Cash with Fiscal Agent	231,746	214,551
Collections in Transit	500	1,055
Imprest Cash	208	213
Taxes Receivable (Schedule 3)	242	219
Accounts and Notes Receivable, net of allowance of \$199 in 1998 (\$669 in 1997)	160,615	126,611
Due from Other Funds	103,600	95,245
Advances to Other Funds	689	7,045
Inventory of Materials and Supplies	10,039	10,722
Total Assets	\$ 560,004	464,395
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 25,481	26,407
Accrued Payroll	19,706	18,441
Amount Due for Tax and Revenue Anticipation Notes	227,531	212,297
Due to Other Funds	32,459	45,561
Advances from Other Funds		
Deferred Revenue	33,742	39,719
Total Liabilities	338,919	342,425
Fund Balances:		
Reserved for Encumbrances	47,916	33,290
Reserved for Loans	7,277	13,567
Reserved for Deposits with Others		
Reserved for Inventory of Materials and Supplies	10,039	10,722
Unreserved:		
Designated for Subsequent Years' Expenditures	11,543	14,488
Undesignated	144,310	49,903
Total Fund Balances (Statement 2A)	221,085	121,970
Total Liabilities and Fund Balances	\$ 560,004	464,395

(Statement 1A)

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended June 30, 1998
With Comparative Figures for Year Ended June 30, 1997
(In Thousands)

STATEMENT 2A

	1998	Restated 1997
Revenues:		
Taxes	\$ 284,970	270,881
Licenses, Permits and Franchises	21,034	20,958
Fines, Forfeitures and Penalties	21,849	21,100
Revenue from Use of Money and Property	26,236	15,904
Aid from Other Governmental Agencies - State	868,320	864,125
Aid from Other Governmental Agencies - Federal	453,358	514,816
Aid from Other Governmental Agencies - Other	23,303	8,552
Charges for Current Services	174,468	152,128
Other Revenue	15,966	24,628
Total Revenues	1,889,504	1,893,092
Expenditures:		
General	181,031	184,397
Public Protection	535,863	500,763
Public Ways and Facilities	1,458	1,181
Health	281,363	253,828
Public Assistance	759,389	865,278
Education	270	228
Recreational and Cultural	8,094	6,281
Capital Outlay	4,226	6,653
Debt Service	14,249	15,196
Total Expenditures	1,785,943	1,833,805
Excess of Revenues Over (Under) Expenditures	103,561	59,287
Other Financing Sources (Uses):		
Issuance of Lease Purchase	4,226	6,653
Operating Transfers In	25,583	40,951
Operating Transfers (Out)	(85,367)	(114,547)
Total Other Financing Sources (Uses)	(55,558)	(66,943)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	48,003	(7,656)
Fund Balance - Beginning of Year	121,970	132,196
Residual Equity Transfers In	57,448	(2,131)
Residual Equity Transfers (Out)	(5,653)	
Increase (Decrease) in Reserve for Inventory of Materials and Supplies	(683)	(439)
Fund Balance - End of Year (Statement 2)	\$ 221,085	121,970

FINANCIAL REPORT OF SAN DIEGO COUNTY

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 2B

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Taxes	\$ 284,970		284,970	278,372	6,598
Licenses, Permits, and Franchises	21,034		21,034	20,795	239
Fines, Forfeitures, and Penalties	21,849		21,849	26,954	(5,105)
Revenue from the Use of Money and Property	26,236	801	27,037	23,968	3,069
Aid from Other Governmental Agencies					
State	868,320		868,320	938,002	(69,682)
Federal	453,358		453,358	525,453	(72,095)
Other	23,303		23,303	23,397	(94)
Charges for Current Services	174,468		174,468	161,055	13,413
Other Revenue	15,966		15,966	19,333	(3,367)
Total Revenue	\$ 1,889,504	801	1,890,305	2,017,329	(127,024)
Expenditures:					
General:					
Legislative and Administrative:					
Supervisor, District #1:					
Salaries and Employee Benefits	\$ 522		522	522	
Services and Supplies	26		26	27	1
Total	548		548	549	1
Supervisor, District #2:					
Salaries and Employee Benefits	528		528	529	1
Services and Supplies	43	10	53	57	4
Fixed Assets					
Total	571	10	581	586	5
Supervisor, District #3:					
Salaries and Employee Benefits	552		552	552	
Services and Supplies	21		21	22	1
Total	573		573	574	1
Supervisor, District #4:					
Salaries and Employee Benefits	518		518	534	16
Services and Supplies	14		14	16	2
Other Charges					
Total	532		532	550	18
Supervisor, District #5:					
Salaries and Employee Benefits	578		578	597	19
Services and Supplies	34		34	38	4
Fixed Assets					
Total	612		612	635	23

FINANCIAL REPORT OF SAN DIEGO COUNTY

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 2B (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
General: (Cont)					
Legislative and Administrative: (Cont)					
Board of Supervisors:					
Salaries and Employee					
Benefits \$	47		47	84	37
Services and Supplies	109		109	109	
Total	156		156	193	37
Clerk, Board of Supervisors:					
Salaries and Employee					
Benefits	1,595		1,595	1,734	139
Services and Supplies	586	6	592	739	147
Fixed Assets					
Expenditure Transfers	(9)		(9)	(50)	(41)
Total	2,172	6	2,178	2,423	245
Chief Administrative Office:					
Salaries and Employee					
Benefits	1,412		1,412	1,491	79
Services and Supplies	1,487	112	1,599	1,661	62
Other Charges	6		6	8	2
Fixed Assets					
Total	2,905	112	3,017	3,160	143
Community Enhancement:					
Other Charges	2,744	2	2,746	2,746	
Total	2,744	2	2,746	2,746	
Community Services:					
Salaries and Employee					
Benefits	361		361	386	25
Services and Supplies	47		47	50	3
Management Reserves				53	53
Total	408		408	489	81
Public Safety:					
Salaries and Employee					
Benefits	494		494	516	22
Services and Supplies	134	7	141	218	77
Management Reserves				53	53
Total	628	7	635	787	152
Land Use & Environment:					
Salaries and Employee					
Benefits	632		632	714	82
Services and Supplies	518	158	676	832	156
Other Charges				125	125
Management Reserves				1,160	1,160
Total	1,150	158	1,308	2,831	1,523

(Cont)

GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)

STATEMENT 2B (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
General: (Cont)					
Legislative and Administrative: (Cont)					
Health/Human Services:					
Salaries and Employee					
Benefits \$	637		637	637	
Services and Supplies	2,427	208	2,635	2,791	156
Fixed Assets		(167)	(167)	17	184
Management Reserves				1,175	1,175
Total	3,064	41	3,105	4,620	1,515
Competition and Reengineering Group					
Salaries and Employee					
Benefits	168		168	559	391
Services and Supplies	311	125	436	704	268
Other Charges	600		600	600	
Total	1,079	125	1,204	1,863	659
Total Legislative and Administrative	17,142	461	17,603	22,006	4,403
Finance:					
Auditor and Controller:					
Salaries and Employee					
Benefits	13,643		13,643	14,073	430
Services and Supplies	2,317	293	2,610	2,691	81
Other Charges	82	25	107	111	4
Fixed Assets	200	43	243	246	3
Total	16,242	361	16,603	17,121	518
Assessor:					
Salaries and Employee					
Benefits	18,649		18,649	19,549	900
Services and Supplies	5,820	659	6,479	6,583	104
Fixed Assets	1,306	382	1,688	1,716	28
Total	25,775	1,041	26,816	27,848	1,032
Treasurer - Tax Collector:					
Salaries and Employee					
Benefits	3,593		3,593	3,898	305
Services and Supplies	2,221	285	2,506	2,654	148
Fixed Assets	740	14	754	785	31
Total	6,554	299	6,853	7,337	484
Total Finance	48,571	1,701	50,272	52,306	2,034

FINANCIAL REPORT OF SAN DIEGO COUNTY

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 2B (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
General: (Cont)					
Counsel:					
County Counsel:					
Salaries and Employee					
Benefits	\$ 9,019		9,019	9,088	69
Services and Supplies	816	181	997	999	2
Fixed Assets	78	10	88	90	2
Total Counsel	9,913	191	10,104	10,177	73
Personnel:					
Department of Human Resources:					
Salaries and Employee					
Benefits	5,577		5,577	5,920	343
Services and Supplies	3,516	285	3,801	5,263	1,462
Fixed Assets	104	296	400	413	13
Total	9,197	581	9,778	11,596	1,818
Equal Opportunity Management:					
Salaries and Employee					
Benefits	375		375	460	85
Services and Supplies	28		28	29	1
Total	403		403	489	86
Civil Service Commission:					
Salaries and Employee					
Benefits	209		209	220	11
Services and Supplies	65		65	70	5
Total	274		274	290	16
Total Personnel	9,874	581	10,455	12,375	1,920
Elections:					
Registrar of Voters:					
Salaries and Employee					
Benefits	2,513		2,513	2,697	184
Services & Supplies	2,373	57	2,430	3,050	620
Other Charges	(3)		(3)	7	10
Fixed Assets	22		22	23	1
Total Elections	4,905	57	4,962	5,777	815
Property Management:					
General Services:					
Salaries and Employee					
Benefits	19,339		19,339	20,152	813
Services and Supplies	11,191	671	11,862	13,092	1,230
Other Charges	150	25	175	176	1
Fixed Assets	89	59	148	151	3
Expenditure Transfers	(464)	(77)	(541)	(748)	(207)
Management Reserves				15	15
Total	30,305	678	30,983	32,838	1,855

(Cont)

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 2B (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
General: (Cont)					
Property Management: (Cont)					
CAC Major Maintenance:					
Services and Supplies	34	23	57	299	242
Other Charges	3		3	3	
Total	37	23	60	302	242
Public Services Utilities:					
Services and Supplies	13,317		13,317	13,542	225
Other Charges	646	4	650	692	42
Expenditure Transfers	(892)		(892)	(686)	206
Total	13,071	4	13,075	13,548	473
Property Management:					
Services and Supplies	3,033	2,213	5,246	6,538	1,292
Expenditure Transfers		(387)	(387)		387
Total	3,033	1,826	4,859	6,538	1,679
Countywide Rents & Leases:					
Services and Supplies	62		62	62	
Expenditure Transfers					
Total	62		62	62	
Total Property Management	46,508	2,531	49,039	53,288	4,249
Other General:					
Electronic Data Processing:					
Salaries and Employee					
Benefits	11,757		11,757	11,927	170
Services and Supplies	7,239	3,331	10,570	10,570	
Other Charges	704	18	722	756	34
Fixed Assets	355	257	612	637	25
Total	20,055	3,606	23,661	23,890	229
Electronic Systems & Equipment:					
Services and Supplies	12,064	675	12,739	12,739	
Fixed Assets	1,365	2,468	3,833	3,833	
Expenditure Transfers	(279)		(279)	(308)	(29)
Total	13,150	3,143	16,293	16,264	(29)
Equipment Acquisitions:					
Services & Supplies					
Other Charges	1,072	48	1,120	1,120	
Fixed Assets	858		858	878	20
Total	1,930	48	1,978	1,998	20

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 2B (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
General: (Cont)					
Other General: (Cont)					
Countywide - General Expenses :					
Services & Supplies				3,444	3,444
Other Charges	\$ 8,983	2,283	11,266	11,270	4
Management Reserves				1,249	1,249
Total	8,983	2,283	11,266	15,963	4,697
Contingency Reserve:					
Reserves		1,800	1,800	61,896	60,096
Total Other General	44,118	10,880	54,998	120,011	65,013
Total General	181,031	16,402	197,433	275,940	78,507
Public Protection:					
Judicial:					
Superior Court:					
Salaries and Employee					
Benefits	17,307		17,307	17,345	38
Services and Supplies	4,402		4,402	4,402	
Fixed Assets	138		138	138	
Total	21,847		21,847	21,885	38
El Cajon Municipal Court:					
Salaries and Employee					
Benefits	2,825		2,825	2,825	
Services and Supplies	453		453	464	11
Fixed Assets	20		20	20	
Total	3,298		3,298	3,309	11
North County Municipal Court:					
Salaries and Employee					
Benefits	3,983		3,983	3,983	
Services and Supplies	538		538	1,058	520
Fixed Assets	98		98	98	
Total	4,619		4,619	5,139	520
South Bay Municipal Court:					
Salaries and Employee					
Benefits	2,175		2,175	2,175	
Services and Supplies	291		291	291	
Fixed Assets	119		119	119	
Total	2,585		2,585	2,585	

FINANCIAL REPORT OF SAN DIEGO COUNTY

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 2B (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Public Protection: (Cont)					
Judicial: (Cont)					
San Diego Municipal Court:					
Salaries and Employee					
Benefits	\$ 8,859		8,859	8,859	
Services and Supplies	1,357		1,357	1,357	
Other Charges	21		21	66	45
Fixed Assets	7		7	7	
Total	10,244		10,244	10,289	45
Municipal Court EDP Services:					
Salaries and Employee					
Benefits	136		136	136	
Services and Supplies	271		271	315	44
Fixed Assets	27		27	27	
Total	434		434	478	44
Municipal Court - Pretrial Services:					
Salaries and Employee					
Benefits	701		701	717	16
Services and Supplies	23	11	34	61	27
Total	724	11	735	778	43
Grand Jury:					
Salaries and Employee					
Benefits	52		52	52	
Services and Supplies	245		245	246	1
Total	297		297	298	1
District Attorney:					
Salaries and Employee					
Benefits	69,977		69,977	74,815	4,838
Services and Supplies	15,408	2,038	17,446	18,556	1,110
Other Charges	1,584	442	2,026	2,310	284
Fixed Assets	370	1,828	2,198	3,384	1,186
Expenditure Transfers	(7,308)	(2,763)	(10,071)	(8,478)	1,593
Total	80,031	1,545	81,576	90,587	9,011
Office of Defender Services:					
Salaries and Employee					
Benefits	24,880		24,880	26,032	1,152
Services and Supplies	3,494	40	3,534	3,946	412
Fixed Assets	36		36	36	
Total	28,410	40	28,450	30,014	1,564
Conflict Public Defender:					
Salaries and Employee					
Benefits	5,164		5,164	5,276	112
Services and Supplies	885	22	907	912	5
Total	6,049	22	6,071	6,188	117

(Cont)

GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)

STATEMENT 2B (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Public Protection: (Cont)					
Judicial: (Cont)					
Defense Attorney/Contract Admin:					
Services and Supplies \$	9,032	1	9,033	9,033	
Total	9,032	1	9,033	9,033	
Contribution to Trial Courts:					
Services and Supplies	295		295	353	58
Other Charges	45,942	1,480	47,422	50,531	3,109
Total	46,237	1,480	47,717	50,884	3,167
Total Judicial	213,807	3,099	216,906	231,467	14,561
Police Protection:					
CAO\Sheriff:					
Salaries and Employee Benefits				1,832	1,832
Services and Supplies				89	89
Fixed Assets				1,231	1,231
Total				3,152	3,152
Sheriff:					
Salaries and Employee Benefits	165,461		165,461	169,511	4,050
Services and Supplies	29,711	1,694	31,405	47,330	15,925
Other Charges	5,690	862	6,552	6,580	28
Fixed Assets	1,253	979	2,232	2,890	658
Expenditure Transfers	(7,194)	(142)	(7,336)	(7,149)	187
Management Reserves				2,800	2,800
Total	194,921	3,393	198,314	221,962	23,648
Marshall:					
Salaries and Employee Benefits	18,321		18,321	19,000	679
Services and Supplies	1,065	121	1,186	1,435	249
Fixed Assets	150	10	160	260	100
Total	19,536	131	19,667	20,695	1,028
Total Police Protection	214,457	3,524	217,981	245,809	27,828
Detention and Correction:					
Probation:					
Salaries and Employee Benefits	55,478		55,478	56,313	835
Services and Supplies	8,881	587	9,468	10,551	1,083
Other Charges	16,773	73	16,846	22,234	5,388
Fixed Assets	208	106	314	388	74
Expenditure Transfers	(183)		(183)	(280)	(97)
Total Detention and Correction	81,157	766	81,923	89,206	7,283

(Cont)

GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)

STATEMENT 2B (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Public Protection: (Cont)					
Protective Inspection:					
Agriculture:					
Salaries and Employee					
Benefits	\$ 5,172		5,172	5,172	
Services and Supplies	784	6	790	866	76
Other Charges	26		26	27	1
Fixed Assets	299	6	305	329	24
Total Protective Inspection	6,281	12	6,293	6,394	101
Other Protection:					
Animal Control:					
Salaries and Employee					
Benefits	4,634		4,634	4,794	160
Services and Supplies	964	76	1,040	1,048	8
Other Charges	1		1	3	2
Fixed Assets				121	121
Total	5,599	76	5,675	5,966	291
LAFCO Administration:					
Other Charges	373		373	373	
Public Administrator:					
Salaries and Employee					
Benefits	1,770		1,770	1,993	223
Services and Supplies	264	150	414	438	24
Other Charges	100	15	115	118	3
Fixed Assets	8	31	39	56	17
Management Reserves				18	18
Total	2,142	196	2,338	2,623	285
Coroner:					
Salaries and Employee					
Benefits	2,662		2,662	2,728	66
Services and Supplies	611	8	619	645	26
Fixed Assets		25	25	25	
Total	3,273	33	3,306	3,398	92
Planning and Land Use:					
Salaries and Employee					
Benefits	3,839		3,839	4,073	234
Services and Supplies	1,336	389	1,725	2,382	657
Fixed Assets				15	15
Total	5,175	389	5,564	6,470	906
Civil Assessment:					
Services and Supplies	2,609		2,609	2,738	129
Total	2,609		2,609	2,738	129

(Cont)

GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)

STATEMENT 2B (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Public Protection: (Cont)					
Other Protection: (Cont)					
Law Enforcement Review Board					
Salaries and Employee					
Benefits	\$ 157		157	207	50
Services and Supplies	24	4	28	43	15
Total	181	4	185	250	65
Office of Disaster Preparedness					
Salaries and Employee					
Benefits	563		563	577	14
Services and Supplies	246	62	308	313	5
Fixed Assets		320	320	320	
Total	809	382	1,191	1,210	19
Total Other Protection	20,161	1,080	21,241	23,028	1,787
Total Public Protection	535,863	8,481	544,344	595,904	51,560
Public Ways and Facilities:					
Public Ways:					
Public Works - Transportation					
Services and Supplies	1,458	843	2,301	3,188	887
Expenditure Transfers		(87)	(87)		87
Total Public Ways and Facilities	1,458	756	2,214	3,188	974
Health:					
Health Services:					
Salaries and Employee					
Benefits	82,858		82,858	87,086	4,228
Services and Supplies	170,895	19,758	190,653	201,788	11,135
Other Charges	6,900	681	7,581	8,427	846
Fixed Assets	236	42	278	515	237
Expenditure Transfers	(1,652)	(16,049)	(17,701)	(1,637)	16,064
Management Reserves				40	40
Total	259,237	4,432	263,669	296,219	32,550
Environmental Health:					
Salaries and Employee					
Benefits	17,514		17,514	19,246	1,732
Services and Supplies	4,504	772	5,276	5,532	256
Fixed Assets	114	44	158	244	86
Expenditure Transfers	(6)	(172)	(178)		178
Total	22,126	644	22,770	25,022	2,252
Total Health	281,363	5,076	286,439	321,241	34,802

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 2B (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Public Assistance:					
Administration:					
Social Services:					
Salaries and Employee					
Benefits	\$ 132,729		132,729	135,629	2,900
Services and Supplies	117,299	2,358	119,657	127,847	8,190
Other Charges	492,349	612	492,961	606,237	113,276
Fixed Assets	198	25	223	3,316	3,093
Expenditure Transfers	(26)	(1,456)	(1,482)		1,482
Total Administration	742,549	1,539	744,088	873,029	128,941
Other Assistance:					
Housing and Community Development:					
Salaries and Employee					
Benefits	4,392		4,392	4,522	130
Services and Supplies	851	62	913	938	25
Expenditure Transfers	(5)	(62)	(67)		67
Total	5,238		5,238	5,460	222
Area Agency on Aging:					
Salaries and Employee					
Benefits	5,359		5,359	5,618	259
Services and Supplies	8,054	350	8,404	9,798	1,394
Other Charges	3		3	3	
Fixed Assets				7	7
Expenditure Transfers	(1,814)		(1,814)	(1,917)	(103)
Total	11,602	350	11,952	13,509	1,557
Total Other Assistance	16,840	350	17,190	18,969	1,779
Total Public Assistance	759,389	1,889	761,278	891,998	130,720
Education:					
Agricultural Education:					
Farm Advisor					
Salaries and Employee					
Benefits	226		226	226	
Services and Supplies	44		44	45	1
Total Education	270		270	271	1
Recreational and Cultural Services:					
Recreational Facilities:					
Parks and Recreation:					
Salaries and Employee					
Benefits	5,486		5,486	5,560	74
Services and Supplies	2,239	138	2,377	2,418	41
Other Charges	141		141	171	30
Fixed Assets	228	96	324	338	14
Total Recreational and Cultural Services	8,094	234	8,328	8,487	159

(Cont)

GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)

STATEMENT 2B (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Capital Outlay:	\$ 4,226	(4,226)			
Debt Service:	14,249		14,249	14,249	
Total Expenditures	1,785,943	28,612	1,814,555	2,111,278	296,723
Excess of Revenues Over (Under) Expenditures	103,561	(27,811)	75,750	(93,949)	169,699
Other Financing Sources (Uses):					
Issuance of Lease Purchases	4,226	(4,226)			
Operating Transfers In	25,583		25,583	29,383	(3,800)
Operating Transfers (Out)	(85,367)	(15,078)	(100,445)	(101,415)	970
Proceeds of Long-Term Debt				13,507	(13,507)
Encumbrances, Beginning of Year		33,290	33,290	33,290	
Total Other Financing Sources (Uses)	(55,558)	13,986	(41,572)	(25,235)	(16,337)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources(Uses)	\$ 48,003	(13,825)	34,178	(119,184)	153,362

SPECIAL REVENUE FUNDS

ROAD FUND

THIS FUND WAS ESTABLISHED TO PROVIDE FOR MAINTENANCE AND CONSTRUCTION OF ROADWAYS AND FOR SPECIALIZED ENGINEERING SERVICES TO OTHER GOVERNMENTAL UNITS AND THE PUBLIC. REVENUES CONSIST PRIMARILY OF THE COUNTY'S SHARE OF STATE HIGHWAY USER TAXES AND ARE SUPPLEMENTED BY FEDERAL FUNDS, VEHICLE CODE FINES, AND FEES AND REIMBURSEMENTS FOR ENGINEERING SERVICES PROVIDED.

HCD FUND

THE HOUSING AND COMMUNITY DEVELOPMENT FUND WAS ESTABLISHED TO RECEIVE FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANTS AS WELL AS STATE GRANTS. EXPENDITURES ARE FOR SPECIAL PROJECTS RELATED TO VARIOUS HOUSING PROGRAMS WITHIN THE COUNTY.

AIR POLLUTION DISTRICT FUND

THIS FUND WAS ESTABLISHED TO PROVIDE FOR CONTROL OF AIR POLLUTION FROM MOTOR VEHICLES AND OTHER SOURCES IN ORDER TO ATTAIN HEALTH BASED AIR QUALITY STANDARDS. REVENUE SOURCES INCLUDE LICENSE AND PERMIT FEES, FINES, STATE AND FEDERAL FUNDS, CHARGES TO PROPERTY OWNERS AND VEHICLE REGISTRATION FEES.

LIGHTING DISTRICT FUND

THIS FUND WAS ESTABLISHED TO PROVIDE STREET AND ROAD LIGHTING SERVICES TO SPECIFIC AREAS OF THE COUNTY. REVENUE SOURCES INCLUDE AD VALOREM TAXES, BENEFIT FEES, STATE FUNDING AND CHARGES TO PROPERTY OWNERS.

COUNTY LIBRARY FUND

THIS FUND WAS ESTABLISHED TO PROVIDE LIBRARY SERVICES FOR THE UNINCORPORATED AREA AS WELL AS SOME OF THE INCORPORATED CITIES WITHIN THE COUNTY. THE COUNTY LIBRARY NOW OPERATES A HEADQUARTERS, 31 BRANCHES AND 2 BOOKMOBILES. PROPERTY TAXES PROVIDE MOST OF THE FUND'S REVENUES, FEDERAL AID, STATE AID AND FINES PROVIDE THE REMAINING REVENUES.

ASSET FORFEITURE PROGRAM FUND

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR ASSETS WHICH HAVE BEEN SEIZED BY LAW ENFORCEMENT AGENCIES DURING THE INVESTIGATION OF CRIMINAL ACTIVITIES. THESE MONIES AND THE INTEREST DERIVED THEREFROM ARE USED FOR THE PREVENTION, INVESTIGATION, APPREHENSION AND PROSECUTION OF DRUG AND OTHER CRIMINAL LAW VIOLATORS.

INMATE WELFARE PROGRAM FUND

THIS FUND WAS ESTABLISHED TO RECEIVE TELEPHONE AND OTHER VENDING COMMISSIONS AND PROFITS FROM STORES OPERATED IN CONNECTION WITH THE COUNTY JAIL AND PROBATION FACILITIES. FUND EXPENDITURES, BY LAW, MUST BE SOLELY FOR THE BENEFIT, EDUCATION AND WELFARE OF CONFINED INMATES.

INACTIVE WASTESITES

THIS FUND WAS ESTABLISHED TO RECEIVE ONE-TIME HOMEOWNER ASSOCIATION DEPOSITS AND RESIDUAL FUNDS FROM THE SALE OF THE COUNTY'S SOLID WASTE SYSTEM. EXPENDITURES INCLUDE REPAIRS, MAINTENANCE AND CARE FOR THE COUNTY'S INACTIVE LANDFILL SITES IN ACCORDANCE WITH ALL APPLICABLE GOVERNMENTAL REGULATIONS, LAWS AND GUIDELINES.

CABLE TV FUND

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR REVENUE EARNED AND EXPENDITURES MADE FOR CABLE TELEVISION RELATED PROJECTS APPROPRIATED FOR THE BENEFIT OF THE CABLE SUBSCRIBERS WHO HAVE PAID THE USER FEES FOR THIS FUND.

PARK LAND DEDICATION FUND

THIS FUND WAS ESTABLISHED TO RECEIVE AND EXPEND SPECIAL PARK LAND DEDICATION FEES TO DEVELOPERS OF LAND AS A CONDITION FOR APPROVAL OF ANY DEVELOPMENT. THE FEES ARE THEN USED FOR THE PURCHASE OF LAND AND THE DEVELOPMENT OF LAND FOR PARK OR RECREATIONAL FACILITIES. THESE FACILITIES SERVE THE FUTURE RESIDENTS OF SUCH DEVELOPMENTS. IN LIEU OF THE PAYMENT OF THESE FEES, THE DEVELOPER MAY DEDICATE LAND FOR PARK OR RECREATIONAL FACILITIES.

NONPROFIT CORPORATION FUND

THE NONPROFIT CORPORATION FUND, SAN DIEGO COUNTY CAPITAL ASSET LEASING CORPORATION, WAS ESTABLISHED AS A COST-EFFECTIVE MEANS OF FINANCING THE PURCHASE OF NECESSARY EQUIPMENT AND THE ACQUISITION AND CONSTRUCTION OF PERMANENT BUILDINGS ON BEHALF OF THE COUNTY THROUGH THE SALE OF TAX EXEMPT LEASEHOLD REVENUE BONDS/CERTIFICATES OF PARTICIPATION.

COUNTY SERVICE AREAS

THESE SPECIAL DISTRICT FUNDS WERE ESTABLISHED TO PROVIDE AUTHORIZED SERVICES SUCH AS ROAD PARK, LIGHTING MAINTENANCE, FIRE PROTECTION OR AMBULANCE SERVICE TO SPECIFIC AREAS IN THE COUNTY. THEY ARE FINANCED BY AD VALOREM PROPERTY TAXES IN THE AREA BENEFITED OR BY SPECIAL ASSESSMENTS LEVIED ON SPECIFIC PROPERTIES.

FLOOD CONTROL DISTRICTS FUND

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR REVENUES AND EXPENDITURES RELATED TO PROVIDING FLOOD CONTROL IN THE COUNTY. IT IS FINANCED PRIMARILY BY AD VALOREM PROPERTY TAXES AND FEDERAL GRANTS.

HOUSING AUTHORITY FUND

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR REVENUES AND EXPENDITURES RELATED TO PROVIDING DECENT HOUSING IN A SUITABLE ENVIRONMENT FOR INDIVIDUALS WHO CANNOT AFFORD STANDARD PRIVATE HOUSING. CONTRACTS WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROVIDE THE MAJOR FUNDING SOURCES.

TRIAL COURT OPERATIONS FUND

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR REVENUES AND EXPENDITURES RELATED TO THE OPERATIONS OF TRIAL COURTS. ALL STATE FUNDED EXPENDITURES ARE ACCOUNTED FOR IN THIS FUND. ALLOWABLE COURT OPERATIONS EXPENDITURES ARE DEFINED IN THE GOVERNMENT CODE AND THE CALIFORNIA RULES OF COURT INTEREST EARNINGS MUST BE RETAINED AND USED FOR TRIAL COURT OPERATIONS EXPENDITURES.

OTHER SPECIAL DISTRICTS FUNDS

THESE FUNDS WERE ESTABLISHED TO RECEIVE USER FEES, LAND LEASE REVENUES, COURT FINES AND STATE FUNDING. EXPENDITURES INCLUDE RETRACEMENT OR REMONUMENT SURVEYS, IMPROVEMENTS FOR GRAZING LANDS, WILDLIFE PROPAGATION AND AVIATION PURPOSE CAPITAL IMPROVEMENTS AND REPAIRS.

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 3

	ROAD	HCD	AIR POLLUTION	LIGHTING DISTRICT
ASSETS				
Equity in Pooled Cash and Investments	\$ 13,891	355	14,362	2,493
Cash with Fiscal Agent			1	
Collections in Transit	3		44	
Imprest Cash	3		1	
Investments				
Accounts and Notes Receivable, Net	6,133	3,662	701	25
Due from Other Funds	3,176	4,094	455	26
Advances to Other Funds				
Inventory of Materials and Supplies	1,447		96	
Deposits with Others	639			
Restricted Assets:				
Investments				
Total Assets	\$ 25,292	8,111	15,660	2,544
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 3,416	772	326	
Accrued Payroll	675		231	
Due to Other Funds	965	5,018	88	31
Advances from Other Funds				
Deferred Revenue		3	692	
Total Liabilities	5,056	5,793	1,337	31
Fund Balances:				
Reserved for Encumbrances	10,333		8,816	18
Reserved for Loans		2,326		
Reserved for Deposits with Others				
Reserved for Inactive Landfill Maintenance				
Reserved for Inventory of Materials and Supplies			96	
Unreserved:				
Designated for Subsequent Years' Expenditures				
Undesignated	9,903	(8)	5,411	2,495
Total Fund Balances (Statement 3A)	20,236	2,318	14,323	2,513
Total Liabilities and Fund Balances	\$ 25,292	8,111	15,660	2,544

(Cont)

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 3 (Cont)

	COUNTY LIBRARY	ASSET FORFEITURE PROGRAM	INMATE WELFARE PROGRAM	INACTIVE WASTESITES
ASSETS				
Equity in Pooled Cash and Investments	\$ 1,058	2,990	3,632	2,150
Cash with Fiscal Agent				
Collections in Transit	38		502	1
Imprest Cash	2		8	
Investments				
Accounts and Notes Receivable, Net			37	13
Due from Other Funds	34	30	234	20
Advances to Other Funds				
Inventory of Materials and Supplies	53			
Deposits with Others				
Restricted Assets:				
Investments				103,049
Total Assets	\$ 1,185	3,020	4,413	105,233
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 241	19	870	342
Accrued Payroll	172			17
Due to Other Funds	93	51	224	300
Advances from Other Funds				
Deferred Revenue				
Total Liabilities	506	70	1,094	659
Fund Balances:				
Reserved for Encumbrances	27	129	278	
Reserved for Loans				
Reserved for Deposits with Others				
Reserved for Inactive Landfill Maintenance				103,049
Reserved for Inventory of Materials and Supplies	53			
Unreserved:				
Designated for Subsequent Years' Expenditures	87			
Undesignated	512	2,821	3,041	1,525
Total Fund Balances (Statement 3A)	679	2,950	3,319	104,574
Total Liabilities and Fund Balances	\$ 1,185	3,020	4,413	105,233

FINANCIAL REPORT OF SAN DIEGO COUNTY

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 3 (Cont)

	CABLE TV	PARK LAND DEDICATION	NONPROFIT CORPORATION	COUNTY SERVICE AREAS
ASSETS				
Equity in Pooled Cash and Investments	\$ 1,069	6,848	54	11,204
Cash with Fiscal Agent			66	
Collections in Transit				
Imprest Cash				
Investments				
Accounts and Notes Receivable, Net				
Due from Other Funds	14	69		125
Advances to Other Funds				
Inventory of Materials and Supplies				
Deposits with Others				
Restricted Assets:				
Investments				
Total Assets	\$ 1,083	6,917	120	11,329
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 54	84	5	434
Accrued Payroll	30			4
Due to Other Funds	13	250		641
Advances from Other Funds				675
Deferred Revenue				
Total Liabilities	97	334	5	1,754
Fund Balances:				
Reserved for Encumbrances	136	2,250		656
Reserved for Loans				
Reserved for Deposits with Others				
Reserved for Inactive Landfill Maintenance				
Reserved for Inventory of Materials and Supplies				
Unreserved:				
Designated for Subsequent Years' Expenditures				
Undesignated	850	4,333	115	8,919
Total Fund Balances (Statement 3A)	986	6,583	115	9,575
Total Liabilities and Fund Balances	\$ 1,083	6,917	120	11,329

FINANCIAL REPORT OF SAN DIEGO COUNTY

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 3 (Cont)

	FLOOD CONTROL DISTRICTS	HOUSING AUTHORITY	TRIAL COURT OPERATIONS
ASSETS			
Equity in Pooled Cash and Investments	\$ 2,281	8,602	16
Cash with Fiscal Agent			
Collections in Transit		1	
Imprest Cash			
Investments			
Accounts and Notes Receivable, Net	17	10,926	
Due from Other Funds	27	362	
Advances to Other Funds	157		
Inventory of Materials and Supplies			
Deposits with Others	54	59	
Restricted Assets:			
Investments			
Total Assets	2,536	19,950	16
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 176	187	
Accrued Payroll			
Due to Other Funds	210	740	16
Advances from Other Funds			
Deferred Revenue		707	
Total Liabilities	386	1,634	16
Fund Balances:			
Reserved for Encumbrances	200		
Reserved for Loans	157	10,779	
Reserved for Deposits with Others	54		
Reserved for Inactive Landfill Maintenance			
Reserved for Inventory of Materials and Supplies			
Unreserved:			
Designated for Subsequent Years' Expenditures			
Undesignated	1,739	7,537	
Total Fund Balances (Statement 3A)	2,150	18,316	
Total Liabilities and Fund Balances	\$ 2,536	19,950	16

FINANCIAL REPORT OF SAN DIEGO COUNTY

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET**

June 30, 1998

With Comparative Figures for June 30, 1997

(In Thousands)

STATEMENT 3 (Cont)

	OTHER SPECIAL DISTRICTS	TOTALS		
		1998	Restated 1997	
ASSETS				
Equity in Pooled Cash and Investments	\$ 632	71,637	67,079	
Cash with Fiscal Agent		67	84	
Collections in Transit	2	591	71	
Imprest Cash		14	14	
Investments				
Accounts and Notes Receivable, Net		21,514	16,011	
Due from Other Funds	3	8,669	8,752	
Advances to Other Funds		157	157	
Inventory of Materials and Supplies		1,596	942	
Deposits with Others		752	1,225	
Restricted Assets:				
Investments		103,049		
Total Assets	\$ 637	208,046	94,335	
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable		6,926	3,243	
Accrued Payroll		1,129	956	
Due to Other Funds	\$ 3	8,643	8,745	
Advances from Other Funds		675	753	
Deferred Revenue		1,402	1,422	
Total Liabilities	3	18,775	15,119	
Fund Balances:				
Reserved for Encumbrances	20	22,863	21,989	
Reserved for Loans		13,262	10,397	
Reserved for Deposits with Others		54	54	
Reserved for Inactive Landfill Maintenance		103,049		
Reserved for Inventory of Materials and Supplies		149	237	
Unreserved:				
Designated for Subsequent Years' Expenditures		87	87	
Undesignated	614	49,807	46,452	
Total Fund Balances (Statement 3A)	634	189,271	79,216	
Total Liabilities and Fund Balances	\$ 637	208,046	94,335	

(Statement 1A)

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 1998
With Comparative Figures for Year Ended June 30, 1997
(In Thousands)

STATEMENT 3A

	ROAD	HCD	AIR POLLUTION	LIGHTING DISTRICT
Revenues:				
Taxes	\$ 9,560			528
Licenses, Permits and Franchises	46		5,339	
Fines, Forfeitures and Penalties	13		339	
Revenue from Use of Money and Property	1,091		879	164
Aid from Other Governmental Agencies:				
State	37,484	242	620	11
Federal	2,624	10,001	1,240	
Other	887	68	3,995	
Charges for Current Services	15,065		446	196
Other Revenue	528	114	7	17
Total Revenues	67,298	10,425	12,865	916
Expenditures:				
Current:				
General				
Public Protection				
Public Ways and Facilities	63,211			915
Health and Sanitation			10,966	
Public Assistance		6,354		
Education				
Recreational and Cultural				
Total Expenditures	63,211	6,354	10,966	915
Excess of Revenues Over (Under) Expenditures	4,087	4,071	1,899	1
Other Financing Sources (Uses):				
Sale of Fixed Assets				
Operating Transfers In	19			
Operating Transfers (Out)	(1,366)	(1,753)	(448)	
Long-Term Debt Proceeds				
Transfers to Escrow Agent				
Total Other Financing Sources (Uses)	(1,347)	(1,753)	(448)	
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	2,740	2,318	1,451	1
Fund Balances - Beginning of Year	17,496		12,938	2,512
Residual Equity Transfers In				
Residual Equity Transfers (Out)				
Increase (Decrease) in:				
Reserve for Inventory of Materials and Supplies			(66)	
Fund Balances - End of Year (Statement 3)	\$ 20,236	2,318	14,323	2,513

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 1998
With Comparative Figures for Year Ended June 30, 1997
(In Thousands)

STATEMENT 3A (Cont)

	COUNTY LIBRARY	ASSET FORFEITURE PROGRAM	INMATE WELFARE PROGRAM	INACTIVE WASTESITES	CABLE TV
Revenues:					
Taxes	\$ 7,097				
Licenses, Permits and Franchises					1,189
Fines, Forfeitures and Penalties		680			
Revenue from Use of Money and Property	76	198	4,462	3,561	121
Aid from Other Governmental Agencies:					
State	729				
Federal	27				
Other	1				
Charges for Current Services	462		267	4	
Other Revenue	357	40	2	79	3
Total Revenues	8,749	918	4,731	3,644	1,313
Expenditures:					
Current:					
General					1,479
Public Protection		803	2,774	2,085	
Public Ways and Facilities					
Health and Sanitation					
Public Assistance					
Education	9,827				
Recreational and Cultural					
Total Expenditures	9,827	803	2,774	2,085	1,479
Excess of Revenues Over (Under) Expenditures	(1,078)	115	1,957	1,559	(166)
Other Financing Sources (Uses):					
Sale of Fixed Assets	3				
Operating Transfers In	1,483		400		
Operating Transfers (Out)	(291)	(73)	(1,232)	(133)	(518)
Long-Term Debt Proceeds					
Transfers to Escrow Agent					
Total Other Financing Sources (Uses)	1,195	(73)	(832)	(133)	(518)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	117	42	1,125	1,426	(684)
Fund Balances - Beginning of Year	584	2,908	2,194		1,670
Residual Equity Transfers In				103,148	
Residual Equity Transfers (Out)					
Increase (Decrease) in:					
Reserve for Inventory of Materials and Supplies	(22)				
Fund Balances - End of Year (Statement 3)	\$ 679	2,950	3,319	104,574	986

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 1998
With Comparative Figures for Year Ended June 30, 1997
(In Thousands)**

STATEMENT 3A (Cont)

	PARK LAND DEDICATION	NONPROFIT CORPORATION	COUNTY SERVICE AREAS	FLOOD CONTROL DISTRICTS
Revenues:				
Taxes	\$		1,522	1,623
Licenses, Permits and Franchises	704			
Fines, Forfeitures and Penalties				
Revenue from Use of Money and Property	498	29	796	146
Aid from Other Governmental Agencies:				
State			33	34
Federal			26	
Other		463	82	20
Charges for Current Services			3,898	
Other Revenue			1	94
Total Revenues	1,202	492	6,358	1,917
Expenditures:				
Current:				
General		1,955		
Public Protection			1,023	1,980
Public Ways and Facilities			922	
Health and Sanitation			2,538	
Public Assistance				
Education				
Recreational and Cultural	251		964	
Total Expenditures	251	1,955	5,447	1,980
Excess of Revenues Over (Under) Expenditures	951	(1,463)	911	(63)
Other Financing Sources (Uses):				
Sale of Fixed Assets			5	
Operating Transfers In		33,971		
Operating Transfers (Out)	(1,519)	(32,130)	(1,995)	
Long-Term Debt Proceeds		1,814		
Transfers to Escrow Agent		(2,384)		
Total Other Financing Sources (Uses)	(1,519)	1,271	(1,990)	
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(568)	(192)	(1,079)	(63)
Fund Balances - Beginning of Year	7,151	307	10,654	2,213
Residual Equity Transfers In				
Residual Equity Transfers (Out)				
Increase (Decrease) in:				
Reserve for Inventory of Materials and Supplies				
Fund Balances - End of Year (Statement 3)	\$ 6,583	115	9,575	2,150

(Cont)

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 1998
With Comparative Figures for Year Ended June 30, 1997
(In Thousands)

STATEMENT 3A (Cont)

	HOUSING AUTHORITY	TRIAL COURT OPERATIONS	OTHER SPECIAL DISTRICTS	TOTALS	
				1998	Restated 1997
Revenues:					
Taxes	\$			20,330	23,615
Licenses, Permits and Franchises				7,278	7,160
Fines, Forfeitures and Penalties			26	1,058	1,084
Revenue from Use of Money and Property	721	27	23	12,792	6,945
Aid from Other Governmental Agencies:					
State		17,122		56,275	76,267
Federal	44,306		30	58,254	51,432
Other	4,090			9,606	8,576
Charges for Current Services	4		126	20,468	21,188
Other Revenue	540			1,782	1,528
Total Revenues	49,661	17,149	205	187,843	197,795
Expenditures:					
Current:					
General				3,434	2,464
Public Protection		15	42	8,722	8,379
Public Ways and Facilities			3	65,051	62,999
Health and Sanitation				13,504	14,572
Public Assistance	50,877			57,231	50,024
Education				9,827	9,147
Recreational and Cultural				1,215	929
Total Expenditures	50,877	15	45	158,984	148,514
Excess of Revenues Over (Under) Expenditures	(1,216)	17,134	160	28,859	49,281
Other Financing Sources (Uses):					
Sale of Fixed Assets				8	24
Operating Transfers In	1,797			37,670	33,854
Operating Transfers (Out)	(357)	(17,138)	(19)	(58,972)	(74,786)
Long-Term Debt Proceeds				1,814	1,748
Transfers to Escrow Agent				(2,384)	
Total Other Financing Sources (Uses)	1,440	(17,138)	(19)	(21,864)	(39,160)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	224	(4)	141	6,995	10,121
Fund Balances - Beginning of Year	18,092	4	493	79,216	69,222
Residual Equity Transfers In				103,148	
Residual Equity Transfers (Out)					(93)
Increase (Decrease) in:					
Reserve for Inventory of Materials and Supplies				(88)	(34)
Fund Balances - End of Year (Statement 3)	\$ 18,316		634	189,271	79,216

FINANCIAL REPORT OF SAN DIEGO COUNTY

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3B

	ROAD		HCD	
	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget
Revenues:				
Taxes	\$ 9,560	24,414		
Licenses, Permits and Franchises	46	44		
Fines, Forfeitures and Penalties	13	11		
Revenue from Use of Money and Property	812	425		
Aid from Other Governmental Agencies:				
State	37,484	38,569	242	243
Federal	2,624	9,920	10,001	33,066
Other	887	522	68	
Charges for Current Services	15,065	18,675		
Other Revenue	528	121	122	122
Total Revenues	67,019	92,701	10,433	33,431
Expenditures:				
Current:				
General				
Public Protection				
Public Ways and Facilities	73,448	130,350		
Health and Sanitation				
Public Assistance			6,354	27,802
Education				
Recreational and Cultural				
Total Expenditures	73,448	130,350	6,354	27,802
Excess of Revenues Over (Under) Expenditures	(6,429)	(37,649)	4,079	5,629
Other Financing Sources (Uses):				
Sale of Fixed Assets				
Operating Transfers In	19	100		
Operating Transfers (Out)	(1,462)	(1,462)	(1,753)	(5,629)
Encumbrances, Beginning of Year	8,055	8,055		
Total Other Financing Sources (Uses)	6,612	6,693	(1,753)	(5,629)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 183	(30,956)	2,326	

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)

STATEMENT 3B (Cont)

	AIR POLLUTION		LIGHTING DISTRICT	
	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget
Revenues:				
Taxes	\$		528	567
Licenses, Permits and Franchises	5,339	5,795		
Fines, Forfeitures and Penalties	339	175		
Revenue from Use of Money and Property	523	70	96	50
Aid from Other Governmental Agencies:				
State	620	605	11	20
Federal	1,240	1,377		
Other	3,995	2,479		
Charges for Current Services	446	728	196	222
Other Revenue	7		17	
Total Revenues	12,509	11,229	848	859
Expenditures:				
Current:				
General				
Public Protection				
Public Ways and Facilities			933	1,166
Health and Sanitation	19,782	20,840		
Public Assistance				
Education				
Recreational and Cultural				
Total Expenditures	19,782	20,840	933	1,166
Excess of Revenues Over (Under) Expenditures	(7,273)	(9,611)	(85)	(307)
Other Financing Sources (Uses):				
Sale of Fixed Assets				
Operating Transfers In				
Operating Transfers (Out)	(448)	(448)		
Encumbrances, Beginning of Year	9,397	9,397	14	14
Total Other Financing Sources (Uses)	8,949	8,949	14	14
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 1,676	(662)	(71)	(293)

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)

STATEMENT 3B (Cont)

	COUNTY LIBRARY		ASSET FORFEITURE PROGRAM	
	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget
Revenues:				
Taxes	\$ 7,097	6,921		
Licenses, Permits and Franchises				
Fines, Forfeitures and Penalties			680	1,099
Revenue from Use of Money and Property	53	44	119	
Aid from Other Governmental Agencies:				
State	729	616		
Federal	27	26		
Other	1			
Charges for Current Services	462	528		
Other Revenue	357	472	40	
Total Revenues	8,726	8,607	839	1,099
Expenditures:				
Current:				
General				
Public Protection			932	1,166
Public Ways and Facilities				
Health and Sanitation				
Public Assistance				
Education	9,854	10,814		
Recreational and Cultural				
Total Expenditures	9,854	10,814	932	1,166
Excess of Revenues Over (Under) Expenditures	(1,128)	(2,207)	(93)	(67)
Other Financing Sources (Uses):				
Sale of Fixed Assets	3	100		
Operating Transfers In	1,483	1,483		
Operating Transfers (Out)	(291)	(291)	(73)	(392)
Encumbrances, Beginning of Year	184	184	135	135
Total Other Financing Sources (Uses)	1,379	1,476	62	(257)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 251	(731)	(31)	(324)

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3B (Cont)

	<u>INMATE WELFARE PROGRAM</u>		<u>INACTIVE WASTESITES</u>		<u>CABLE TV</u>	
	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget
Revenues:						
Taxes	\$					
Licenses, Permits and Franchises					1,189	1,287
Fines, Forfeitures and Penalties						
Revenue from Use of Money and Property	4,413	2,950	3,203		62	
Aid from Other Governmental Agencies:						
State						
Federal						
Other						
Charges for Current Services	267	400	4			
Other Revenue	2		79	3,168	3	
Total Revenues	4,682	3,350	3,286	3,168	1,254	1,287
Expenditures:						
Current:						
General					1,615	1,860
Public Protection	3,024	3,180	2,085	4,936		
Public Ways and Facilities						
Health and Sanitation						
Public Assistance						
Education						
Recreational and Cultural						
Total Expenditures	3,024	3,180	2,085	4,936	1,615	1,860
Excess of Revenues Over (Under) Expenditures	1,658	170	1,201	(1,768)	(361)	(573)
Other Financing Sources (Uses):						
Sale of Fixed Assets						
Operating Transfers In	400	400				96
Operating Transfers (Out)	(1,260)	(1,477)	(133)	(133)	(518)	(518)
Encumbrances, Beginning of Year	670	670			32	32
Total Other Financing Sources (Uses)	(190)	(407)	(133)	(133)	(486)	(390)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 1,468	(237)	1,068	(1,901)	(847)	(963)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3B (Cont)

	PARK LAND DEDICATION		COUNTY SERVICE AREAS	
	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget
Revenues:				
Taxes	\$		1,522	1,351
Licenses, Permits and Franchises	704	441		
Fines, Forfeitures and Penalties				
Revenue from Use of Money and Property	283	220	442	80
Aid from Other Governmental Agencies:				
State			33	20
Federal			26	
Other			82	20
Charges for Current Services			3,898	6,071
Other Revenue			1	21
Total Revenues	987	661	6,004	7,563
Expenditures:				
Current:				
General				
Public Protection			1,042	2,595
Public Ways and Facilities			958	1,770
Health and Sanitation			3,030	3,429
Public Assistance				
Education				
Recreational and Cultural	1,361	4,920	1,073	1,826
Total Expenditures	1,361	4,920	6,103	9,620
Excess of Revenues Over (Under) Expenditures	(374)	(4,259)	(99)	(2,057)
Other Financing Sources (Uses):				
Sale of Fixed Assets			5	
Operating Transfers In				
Operating Transfers (Out)	(2,659)	(2,675)	(1,995)	(2,002)
Encumbrances, Beginning of Year	2,541	2,541	388	388
Total Other Financing Sources (Uses)	(118)	(134)	(1,602)	(1,614)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (492)	(4,393)	(1,701)	(3,671)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3B (Cont)

	FLOOD CONTROL DISTRICTS		HOUSING AUTHORITY	
	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget
Revenues:				
Taxes	\$ 1,623	1,251		
Licenses, Permits and Franchises				
Fines, Forfeitures and Penalties				
Revenue from Use of Money and Property	86	60	490	
Aid from Other Governmental Agencies:				
State	34			
Federal			44,306	53,839
Other	20	585	4,090	752
Charges for Current Services		399	4	
Other Revenue	94		540	1,150
Total Revenues	1,857	2,295	49,430	55,741
Expenditures:				
Current:				
General				
Public Protection	2,180	3,081		
Public Ways and Facilities				
Health and Sanitation				
Public Assistance			50,877	58,437
Education				
Recreational and Cultural				
Total Expenditures	2,180	3,081	50,877	58,437
Excess of Revenues Over (Under) Expenditures	(323)	(786)	(1,447)	(2,696)
Other Financing Sources (Uses):				
Sale of Fixed Assets				
Operating Transfers In			1,797	2,512
Operating Transfers (Out)			(357)	(390)
Encumbrances, Beginning of Year	526	526		
Total Other Financing Sources (Uses)	526	526	1,440	2,122
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 203	(260)	(7)	(574)

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)

STATEMENT 3B (Cont)

	TRIAL COURT OPERATIONS		OTHER SPECIAL DISTRICTS	
	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget
Revenues:				
Taxes	\$			
Licenses, Permits and Franchises				
Fines, Forfeitures and Penalties			26	16
Revenue from Use of Money and Property	24	48	7	12
Aid from Other Governmental Agencies:				
State	17,122	37,500		1,316
Federal			30	
Other				
Charges for Current Services			126	104
Other Revenue				
Total Revenues	17,146	37,548	189	1,448
Expenditures:				
Current:				
General				
Public Protection	15	15	42	51
Public Ways and Facilities			3	1,432
Health and Sanitation				
Public Assistance				
Education				
Recreational and Cultural				
Total Expenditures	15	15	45	1,483
Excess of Revenues Over (Under) Expenditures	17,131	37,533	144	(35)
Other Financing Sources (Uses):				
Sale of Fixed Assets				
Operating Transfers In				
Operating Transfers (Out)	(17,138)	(20,556)	(39)	(100)
Encumbrances, Beginning of Year			47	47
Total Other Financing Sources (Uses)	(17,138)	(20,556)	8	(53)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (7)	16,977	152	(88)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3B (Cont)

	TOTALS		
	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 20,330	34,504	(14,174)
Licenses, Permits and Franchises	7,278	7,567	(289)
Fines, Forfeitures and Penalties	1,058	1,301	(243)
Revenue from Use of Money and Property	10,613	3,959	6,654
Aid from Other Governmental Agencies:			
State	56,275	78,889	(22,614)
Federal	58,254	98,228	(39,974)
Other	9,143	4,358	4,785
Charges for Current Services	20,468	27,127	(6,659)
Other Revenue	1,790	5,054	(3,264)
Total Revenues	185,209	260,987	(75,778)
Expenditures:			
Current:			
General	1,615	1,860	245
Public Protection	9,320	15,024	5,704
Public Ways and Facilities	75,342	134,718	59,376
Health and Sanitation	22,812	24,269	1,457
Public Assistance	57,231	86,239	29,008
Education	9,854	10,814	960
Recreational and Cultural	2,434	6,746	4,312
Total Expenditures	178,608	279,670	101,062
Excess of Revenues Over (Under) Expenditures	6,601	(18,683)	25,284
Other Financing Sources (Uses):			
Sale of Fixed Assets	8	100	(92)
Operating Transfers In	3,699	4,591	(892)
Operating Transfers (Out)	(28,126)	(36,073)	7,947
Encumbrances, Beginning of Year	21,989	21,989	
Total Other Financing Sources (Uses)	(2,430)	(9,393)	6,963
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 4,171	(28,076)	32,247

ROAD FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)

STATEMENT 3C

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Taxes	\$ 9,560		9,560	24,414	(14,854)
Licenses, Permits and Franchises	46		46	44	2
Fines, Forfeitures and Penalties	13		13	11	2
Revenue from Use of Money and Property	1,091	(279)	812	425	387
Aid from Other Governmental Agencies:					
State	37,484		37,484	38,569	(1,085)
Federal	2,624		2,624	9,920	(7,296)
Other	887		887	522	365
Charges for Current Services	15,065		15,065	18,675	(3,610)
Other Revenue	528		528	121	407
Total Revenues	67,298	(279)	67,019	92,701	(25,682)
Expenditures:					
Public Ways and Facilities:					
Public Ways:					
Salaries and Employee Benefits	24,680		24,680	27,470	2,790
Services and Supplies	35,039	38,698	73,737	91,566	17,829
Other Charges	3,248	145	3,393	10,912	7,519
Fixed Assets	244	7	251	402	151
Expenditure Transfers		(28,613)	(28,613)		28,613
Total Expenditures	63,211	10,237	73,448	130,350	56,902
Excess of Revenues Over (Under) Expenditures	4,087	(10,516)	(6,429)	(37,649)	31,220
Other Financing Sources (Uses):					
Sale of Fixed Assets					
Operating Transfers In	19		19	100	(81)
Operating Transfers (Out)	(1,366)	(96)	(1,462)	(1,462)	
Encumbrances, Beginning of Year		8,055	8,055	8,055	
Total Other Financing Sources (Uses)	(1,347)	7,959	6,612	6,693	(81)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 2,740	(2,557)	183	(30,956)	31,139

FINANCIAL REPORT OF SAN DIEGO COUNTY

**HCD
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Aid from Other Governmental Agencies:					
State	\$ 242		242	243	(1)
Federal	10,001		10,001	33,066	(23,065)
Other	68		68		68
Other Revenue	114	8	122	122	
Total Revenues	10,425	8	10,433	33,431	(22,998)
Expenditures:					
Public Assistance:					
Services and Supplies	5,285	6,878	12,163	23,645	(11,482)
Other Charges	1,069	2,180	3,249	4,157	(908)
Expenditure transfers		(9,058)	(9,058)		(9,058)
Total Expenditures	6,354		6,354	27,802	(21,448)
Excess of Revenues Over (Under) Expenditures	4,071	8	4,079	5,629	(1,550)
Other Financing Sources (Uses):					
Operating Transfers (Out)	(1,753)		(1,753)	(5,629)	3,876
Encumbrances, Beginning of Year					
Total Other Financing Sources (Uses)	(1,753)		(1,753)	(5,629)	3,876
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 2,318	8	2,326		2,326

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**AIR POLLUTION
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Licenses, Permits and Franchises	\$ 5,339		5,339	5,795	(456)
Fines, Forfeitures and Penalties	339		339	175	164
Revenue from Use of Money and Property	879	(356)	523	70	453
Aid from Other Governmental Agencies:					
State	620		620	605	15
Federal	1,240		1,240	1,377	(137)
Other	3,995		3,995	2,479	1,516
Charges for Current Services	446		446	728	(282)
Other Revenue	7		7		7
Total Revenues	12,865	(356)	12,509	11,229	1,280
Expenditures:					
Health and Sanitation:					
Health:					
Salaries and Employee Benefits	7,769		7,769	8,307	538
Services and Supplies	1,754	465	2,219	2,517	298
Other Charges	1,333	8,374	9,707	9,707	
Fixed Assets	110	154	264	309	45
Expenditure Transfers		(177)	(177)		177
Total Expenditures	10,966	8,816	19,782	20,840	1,058
Excess of Revenues Over (Under) Expenditures	1,899	(9,172)	(7,273)	(9,611)	2,338
Other Financing Sources (Uses):					
Operating Transfers (Out)	(448)		(448)	(448)	
Encumbrances, Beginning of Year		9,397	9,397	9,397	
Total Other Financing Sources (Uses)	(448)	9,397	8,949	8,949	
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 1,451	225	1,676	(662)	2,338

FINANCIAL REPORT OF SAN DIEGO COUNTY

**LIGHTING DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Taxes	\$ 528		528	567	(39)
Revenue from Use of Money and Property	164	(68)	96	50	46
Aid from Other Governmental Agencies:					
State	11		11	20	(9)
Charges for Current Services	196		196	222	(26)
Other Revenue	17		17		17
Total Revenues	916	(68)	848	859	(11)
Expenditures:					
Public Ways and Facilities:					
Public Ways:					
Services and Supplies	915	18	933	1,061	128
Other Charges				105	105
Total Expenditures	915	18	933	1,166	233
Excess of Revenues Over (Under) Expenditures	1	(86)	(85)	(307)	(222)
Other Financing Sources (Uses):					
Encumbrances, Beginning of Year		14	14	14	
Total Other Financing Sources (Uses)		14	14	14	
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 1	(72)	(71)	(293)	222

FINANCIAL REPORT OF SAN DIEGO COUNTY

**COUNTY LIBRARY FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Taxes	\$ 7,097		7,097	6,921	176
Revenue from Use of Money and Property	76	(23)	53	44	9
Aid from Other Governmental Agencies:					
State	729		729	616	113
Federal	27		27	26	1
Other	1		1		1
Charges for Current Services	462		462	528	(66)
Other Revenue	357		357	472	(115)
Total Revenues	8,749	(23)	8,726	8,607	119
Expenditures:					
Education:					
Library Services:					
Salaries and Employee Benefits	5,632		5,632	6,127	495
Services and Supplies	3,969	27	3,996	4,336	340
Other Charges	185		185	310	125
Fixed Assets	41		41	41	
Total Expenditures	9,827	27	9,854	10,814	960
Excess of Revenues Over (Under) Expenditures	(1,078)	(50)	(1,128)	(2,207)	1,079
Other Financing Sources (Uses):					
Sale of Fixed Assets	3		3	100	(97)
Operating Transfers In	1,483		1,483	1,483	
Operating Transfers (Out)	(291)		(291)	(291)	
Encumbrances, Beginning of Year		184	184	184	
Total Other Financing Sources (Uses)	1,195	184	1,379	1,476	(97)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 117	134	251	(731)	982

FINANCIAL REPORT OF SAN DIEGO COUNTY

**ASSET FORFEITURE PROGRAM FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Fines, Forfeitures and Penalties	\$ 680		680	1,099	(419)
Revenue from Use of Money and Property	198	(79)	119		119
Other Revenue	40		40		40
Total Revenues	918	(79)	839	1,099	(260)
Expenditures:					
Public Protection:					
Other Protection:					
Services and Supplies	629	21	650	679	29
Other Charges	78		78	78	
Fixed Assets	96	108	204	409	205
Total Expenditures	803	129	932	1,166	234
Excess of Revenues Over (Under) Expenditures	115	(208)	(93)	(67)	(26)
Other Financing Sources (Uses):					
Operating Transfers In					
Operating Transfers (Out)	(73)		(73)	(392)	319
Encumbrances, Beginning of Year		135	135	135	
Total Other Financing Sources (Uses)	(73)	135	62	(257)	319
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 42	(73)	(31)	(324)	293

FINANCIAL REPORT OF SAN DIEGO COUNTY

**INMATE WELFARE PROGRAM FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Revenue from Use of Money and Property	\$ 4,462	(49)	4,413	2,950	1,463
Charges for Current Services	267		267	400	(133)
Other Revenue	2		2		2
Total Revenues	4,731	(49)	4,682	3,350	1,332
Expenditures:					
Public Protection:					
Police Protection:					
Services and Supplies	2,395	233	2,628	2,743	115
Other Charges	37	9	46	73	27
Fixed Assets	342	8	350	364	14
Total Expenditures	2,774	250	3,024	3,180	156
Excess of Revenues Over (Under) Expenditures	1,957	(299)	1,658	170	1,488
Other Financing Sources (Uses):					
Operating Transfers In	400		400	400	
Operating Transfers (Out)	(1,232)	(28)	(1,260)	(1,477)	217
Encumbrances, Beginning of Year		670	670	670	
Total Other Financing Sources (Uses)	(832)	642	(190)	(407)	217
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 1,125	343	1,468	(237)	1,705

**INACTIVE WASTESITES
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Revenue from Use of Money and Property	\$ 3,561	(358)	3,203		3,203
Charges for Current Services	4		4		4
Other Revenue	79		79	3,168	(3,089)
Total Revenues	3,644	(358)	3,286	3,168	118
Expenditures:					
Public Protection:					
Salaries and Employee Benefits	335		335	417	82
Services and Supplies	1,602	291	1,893	4,369	2,476
Other Charges	148		148	150	2
Expenditure Transfers		(291)	(291)		291
Total Expenditures	2,085		2,085	4,936	2,851
Excess of Revenues Over (Under) Expenditures	1,559	(358)	1,201	(1,768)	2,969
Other Financing Sources (Uses):					
Operating Transfers (Out)	(133)		(133)	(133)	
Encumbrances, Beginning of Year					
Total Other Financing Sources (Uses)	(133)		(133)	(133)	
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 1,426	(358)	1,068	(1,901)	2,969

FINANCIAL REPORT OF SAN DIEGO COUNTY

**CABLE TV FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Licenses, Permits and Franchises	\$ 1,189		1,189	1,287	(98)
Revenue from Use of Money and Property	121	(59)	62		62
Charges for Current Services					
Other Revenue	3		3		3
Total Revenues	1,313	(59)	1,254	1,287	(33)
Expenditures:					
General:					
Communication:					
Salaries and Employee Benefits	848		848	1,035	187
Services and Supplies	348	40	388	393	5
Other Charges	15	10	25	68	43
Fixed Assets	268	86	354	364	10
Total Expenditures	1,479	136	1,615	1,860	245
Excess of Revenues Over (Under) Expenditures	(166)	(195)	(361)	(573)	212
Other Financing Sources (Uses):					
Operating Transfers In				96	(96)
Operating Transfers (Out)	(518)		(518)	(518)	
Encumbrances, Beginning of Year		32	32	32	
Total Other Financing Sources (Uses)	(518)	32	(486)	(390)	(96)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (684)	(163)	(847)	(963)	116

FINANCIAL REPORT OF SAN DIEGO COUNTY

**PARK LAND DEDICATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Licenses, Permits and Franchises	\$ 704		704	441	263
Revenue from Use of Money and Property	498	(215)	283	220	63
Other Revenue					
Total Revenues	1,202	(215)	987	661	326
Expenditures:					
Recreational and Cultural Services:					
Recreational Facilities:					
Other Charges	251	1,110	1,361	4,920	3,559
Excess of Revenues Over (Under) Expenditures	951	(1,325)	(374)	(4,259)	3,885
Other Financing Sources (Uses):					
Operating Transfers (Out)	(1,519)	(1,140)	(2,659)	(2,675)	16
Encumbrances, Beginning of Year		2,541	2,541	2,541	
Total Other Financing Sources (Uses)	(1,519)	1,401	(118)	(134)	16
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (568)	76	(492)	(4,393)	3,901

FINANCIAL REPORT OF SAN DIEGO COUNTY

**COUNTY SERVICE AREAS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Taxes	\$ 1,522		1,522	1,351	171
Revenue from Use of Money and Property	796	(354)	442	80	362
Aid from Other Governmental Agencies:					
State	33		33	20	13
Federal	26		26		26
Other	82		82	20	62
Charges for Current Services	3,898		3,898	6,071	(2,173)
Other Revenue	1		1	21	(20)
Total Revenues	6,358	(354)	6,004	7,563	(1,559)
Expenditures:					
Public Protection:					
Fire Protection:					
Services and Supplies	503	19	522	758	236
Other Charges	514		514	1,819	1,305
Fixed Assets	6		6	18	12
Total Protection	1,023	19	1,042	2,595	1,553
Public Ways and Facilities:					
Public Ways:					
Services and Supplies	885	36	921	1,721	800
Other Charges	37		37	49	12
Total Public Ways and Facilities	922	36	958	1,770	812
Health and Sanitation:					
Hospital Care:					
Services and Supplies	2,537	492	3,029	3,427	398
Other Charges	1		1	2	1
Total Health and Sanitation	2,538	492	3,030	3,429	399
Recreational and Cultural:					
Recreation Facilities:					
Salaries and Employee Benefits	103		103	187	84
Services and Supplies	824	109	933	1,357	424
Other Charges				235	235
Fixed Assets	37		37	47	10
Total Recreational and Cultural	964	109	1,073	1,826	753
Total Expenditures	5,447	656	6,103	9,620	3,517
Excess of Revenues Over (Under) Expenditures	911	(1,010)	(99)	(2,057)	1,958
Other Financing Sources (Uses):					
Sale of Fixed Assets	5		5		5
Operating Transfers (Out)	(1,995)		(1,995)	(2,002)	7
Encumbrances, Beginning of Year		388	388	388	
Total Other Financing Sources (Uses)	(1,990)	388	(1,602)	(1,614)	12
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (1,079)	(622)	(1,701)	(3,671)	1,970

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**FLOOD CONTROL DISTRICTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Taxes	\$ 1,623		1,623	1,251	372
Revenue from Use of Money and Property	146	(60)	86	60	26
Aid from Other Governmental Agencies:					
State	34		34		34
Federal					
Other	20		20	585	(565)
Charges for Current Services				399	(399)
Other Revenue	94		94		94
Total Revenues	1,917	(60)	1,857	2,295	(438)
Expenditures:					
Public Protection:					
Flood Control:					
Services and Supplies	1,980	200	2,180	3,081	901
Other Charges					
Total Expenditures	1,980	200	2,180	3,081	901
Excess of Revenues Over (Under) Expenditures	(63)	(260)	(323)	(786)	463
Other Financing Sources (Uses):					
Encumbrances, Beginning of Year		526	526	526	
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (63)	266	203	(260)	463

FINANCIAL REPORT OF SAN DIEGO COUNTY

**HOUSING AUTHORITY FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Revenue from Use of Money and Property	\$ 721	(231)	490		490
Aid from Other Governmental Agencies:					
Federal	44,306		44,306	53,839	(9,533)
Other	4,090		4,090	752	3,338
Charges for Current Services	4		4		4
Other Revenue	540		540	1,150	(610)
Total Revenues	49,661	(231)	49,430	55,741	(6,311)
Expenditures:					
Public Assistance:					
Services and Supplies	50,317	822	51,139	54,887	3,748
Other Charges	54	72	126	2,936	2,810
Fixed Assets	506		506		(506)
Expenditure Transfer		(894)	(894)	614	1,508
Total Expenditures	50,877		50,877	58,437	7,560
Excess of Revenues Over (Under) Expenditures	(1,216)	(231)	(1,447)	(2,696)	1,249
Other Financing Sources (Uses):					
Operating Transfers In	1,797		1,797	2,512	(715)
Operating Transfers (Out)	(357)		(357)	(390)	33
Total Other Financing Sources (Uses)	1,440		1,440	2,122	(682)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 224	(231)	(7)	(574)	567

FINANCIAL REPORT OF SAN DIEGO COUNTY

**TRIAL COURT OPERATIONS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Revenue from Use of Money and Property	\$ 27	(3)	24	48	(24)
Aid from Other Governmental Agencies:					
State	17,122		17,122	37,500	(20,378)
Total Revenues	17,149	(3)	17,146	37,548	(20,402)
Expenditures:					
Public Protection:					
Other Charges	15		15	15	
Total Expenditures	15		15	15	
Excess of Revenues Over (Under) Expenditures	17,134	(3)	17,131	37,533	(20,402)
Other Financing Sources (Uses):					
Operating Transfers (Out)	(17,138)		(17,138)	(20,556)	3,418
Total Other Financing Sources (Uses)	(17,138)		(17,138)	(20,556)	3,418
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (4)	(3)	(7)	16,977	(16,984)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**OTHER SPECIAL DISTRICTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 3C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Taxes	\$				
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties	26		26	16	10
Revenue from Use of Money and Property	23	(16)	7	12	(5)
Aid from Other Governmental Agencies:					
State				1,316	(1,316)
Federal	30		30		30
Other					
Charges for Current Services	126		126	104	22
Other Revenue					
Total Revenues	205	(16)	189	1,448	(1,259)
Expenditures:					
Public Ways and Facilities:					
Transportation Terminals/Facilities:					
Services and Supplies				1,429	1,429
Other Charges	3		3	3	
Total Public Ways and Facilities	3		3	1,432	1,429
Public Protection:					
Other Protection:					
Salaries and Employee Benefits				4	4
Services and Supplies					
Other Charges	42		42	47	5
Fixed Assets					
Total Public Protection	42		42	51	9
Total Expenditures	45		45	1,483	1,438
Excess of Revenues Over (Under) Expenditures	160	(16)	144	(35)	179
Other Financing Sources (Uses):					
Operating Transfers (Out)	(19)	(20)	(39)	(100)	61
Encumbrances, Beginning of Year		47	47	47	
Total Other Financing Sources (Uses)	(19)	27	8	(53)	61
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 141	11	152	(88)	240

DEBT SERVICE FUNDS

PENSION OBLIGATION BONDS FUND

THIS FUND RECEIVES PAYMENTS FROM THE COUNTY FOR PAYMENT OF PRINCIPAL AND INTEREST DUE ON 1994 TAXABLE PENSION OBLIGATION BONDS. THE DEBT ISSUE WAS USED TO SATISFY THE COUNTY'S REQUIREMENT TO AMORTIZE THE UNFUNDED ACTUARIAL ACCRUED LIABILITY WITH RESPECT TO RETIREMENT BENEFITS ACCRUING TO MEMBERS OF THE ASSOCIATION. THE OBLIGATION OF THE COUNTY TO MAKE PAYMENTS WITH RESPECT TO THE BONDS IS AN ABSOLUTE AND UNCONDITIONAL PRIORITY OBLIGATION OF THE COUNTY IMPOSED BY LAW AND PAYMENT OF PRINCIPAL AND INTEREST ON THE BONDS IS NOT LIMITED TO ANY SPECIAL SOURCE OF FUNDS.

NONPROFIT CORPORATION FUND

THIS FUND RECEIVES RENTAL PAYMENTS BASED ON LEASE PURCHASE AGREEMENTS FROM THE CAPITAL OUTLAY FUND AND THE GENERAL FUND FOR PAYMENT OF PRINCIPAL AND INTEREST DUE ON LEASEHOLD REVENUE BONDS/CERTIFICATES OF PARTICIPATION. THESE DEBT ISSUANCES ARE LEGAL OBLIGATIONS OF A NONPROFIT CORPORATION AND WERE ISSUED TO FINANCE THE PURCHASING OF NECESSARY EQUIPMENT AND THE ACQUISITION AND CONSTRUCTION OF PERMANENT BUILDINGS BY THE COUNTY. DEBT IS SECURED BY THE LEASE-PURCHASE PAYMENTS FROM THE COUNTY.

REDEVELOPMENT AGENCY FUND

THIS FUND RECEIVES PROCEEDS OF REDEVELOPMENT AREA INCREMENTAL TAXES AND INTEREST REVENUES BASED ON A TRUST AGREEMENT BETWEEN THE AGENCY AND A TRUSTEE BANK FOR PAYMENT OF PRINCIPAL AND INTEREST DUE ON REVENUE BONDS. PLEDGED INSTALLMENTS FROM THE COUNTY AIRPORT SYSTEM ARE DEPOSITED WITH A TRUSTEE AND ARE AVAILABLE IF TAXES AND INTEREST ARE INSUFFICIENT TO PAY DEBT SERVICE PAYMENTS. IN ADDITION TO THE PLEDGED AMOUNTS, A BOND RESERVE WAS FUNDED WITH BOND PROCEEDS.

**DEBT SERVICE FUNDS
COMBINING BALANCE SHEET**

June 30, 1998

**With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 4

	PENSION OBLIGATION BONDS	NONPROFIT CORPORATION	REDEVELOPMENT AGENCY
ASSETS			
Equity in Pooled Cash and Investments	\$ 31	6,256	697
Cash with Fiscal Agent	52	21,326	295
Accounts Receivable		235	14
Due from other Funds		16	12
Advances to Other Funds		561	
Total Assets	\$ 83	28,394	1,018
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable			
Due to Other Funds	\$ 83		
Advances from Other Funds			287
Total Liabilities	83		287
Fund Balances:			
Reserved for Debt Service		28,394	731
Total Liabilities and Fund Balances	\$ 83	28,394	1,018

FINANCIAL REPORT OF SAN DIEGO COUNTY

**DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 4 (Cont)

	TOTALS	
	1998	Restated 1997
ASSETS		
Equity in Pooled Cash and Investments	\$ 6,984	29,712
Cash with Fiscal Agent	21,673	396
Accounts Receivable	249	24
Due from other Funds	28	89
Advances to Other Funds	561	587
Total Assets	\$ 29,495	30,808
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable		38
Due to Other Funds	\$ 83	
Advances from Other Funds	287	287
Total Liabilities	370	325
Fund Balances:		
Reserved for Debt Service	29,125	30,483
Total Liabilities and Fund Balances	\$ 29,495	30,808

(Statement 1A)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 4A

	PENSION OBLIGATION BONDS	NONPROFIT CORPORATION	REDEVELOPMENT AGENCY
Revenues:			
Taxes	\$		381
Revenue from Use of Money and Property	38	1,909	54
Aid from Other Governmental Agencies: Other	1,943		
Other Revenue			
Total Revenues	1,981	1,909	435
Expenditures:			
Debt Service	44,219	39,294	388
Excess of Revenues Over (Under) Expenditures	(42,238)	(37,385)	47
Other Financing Sources (Uses):			
Operating Transfers In	41,864	36,203	
Operating Transfers (Out)		(7,120)	
Long-Term Debt Proceeds		76,062	
Transfers to Escrow Agent		(68,791)	
Total Other Financing Sources (Uses)	41,864	36,354	
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(374)	(1,031)	47
Fund Balances - Beginning of Year	374	29,425	684
Fund Balances - End of Year (Statement 4)	\$	28,394	731

FINANCIAL REPORT OF SAN DIEGO COUNTY

**DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 4A (Cont)

	TOTALS	
	1998	Restated 1997
Revenues:		
Taxes	\$ 381	360
Revenue from Use of Money and Property	2,001	2,519
Aid from Other Governmental Agencies: Other	1,943	3,201
Other Revenue		
Total Revenues	4,325	6,080
Expenditures:		
Debt Service	83,901	76,718
Excess of Revenues Over (Under) Expenditures	(79,576)	(70,638)
Other Financing Sources (Uses):		
Operating Transfers In	78,067	75,039
Operating Transfers (Out)	(7,120)	(34,317)
Long-Term Debt Proceeds	76,062	34,837
Transfers to Escrow Agent	(68,791)	(24,511)
Total Other Financing Sources (Uses)	78,218	51,048
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(1,358)	(19,590)
Fund Balances - Beginning of Year	30,483	50,073
Fund Balances - End of Year (Statement 4)	\$ 29,125	30,483

FINANCIAL REPORT OF SAN DIEGO COUNTY

**DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 4B

	PENSION OBLIGATION BONDS		REDEVELOPMENT AGENCY	
	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget
Revenues:				
Taxes	\$		381	308
Revenue from Use of Money and Property	22	100	38	3
Aid from Other Governmental Agencies - Other	1,943	1,921		
Total Revenues	1,965	2,021	419	311
Expenditures:				
Debt Service	44,219	44,245	388	388
Excess of Revenues Over (Under) Expenditures	(42,254)	(42,224)	31	(77)
Other Financing Sources (Uses):				
Operating Transfers In	41,864	42,137		
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (390)	(87)	31	(77)

DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)

STATEMENT 4B (Cont)

	TOTALS		
	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 381	308	73
Revenue from Use of Money and Property	60	103	(43)
Aid from Other Governmental Agencies - Other	1,943	1,921	22
Total Revenues	2,384	2,332	52
Expenditures:			
Debt Service	44,607	44,633	26
Excess of Revenues Over (Under) Expenditures	(42,223)	(42,301)	78
Other Financing Sources (Uses):			
Operating Transfers In	41,864	42,137	(273)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (359)	(164)	(195)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**PENSION OBLIGATION BONDS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 4C

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Revenue from Use of Money and Property	\$ 38	(16)	22	100	(78)
Aid from Other Governmental Agencies - Other	1,943		1,943	1,921	22
Total Revenues	1,981	(16)	1,965	2,021	(56)
Expenditures:					
Debt Service:					
Principal Expense	18,960		18,960	18,960	
Bond Interest Matured	25,255		25,255	25,255	
Other Charges	4		4	30	26
Total Expenditures	44,219		44,219	44,245	26
Excess of Revenues Over (Under) Expenditures	(42,238)	(16)	(42,254)	(42,224)	(30)
Other Financing Sources (Uses):					
Operating Transfers In	41,864		41,864	42,137	(273)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (374)	(16)	(390)	(87)	(303)

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 4C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Taxes	\$ 381		381	308	73
Revenue from Use of Money and Property	54	(16)	38	3	35
Total Revenues	435	(16)	419	311	108
Expenditures:					
Debt Service:					
Principal Expense	65		65	65	
Bond Interest Matured	323		323	323	
Total Expenditures	388		388	388	
Excess of Revenues Over (Under) Expenditures	\$ 47	(16)	31	(77)	108



CAPITAL PROJECTS FUNDS

CAPITAL OUTLAY FUND

THE CAPITAL OUTLAY FUND IS USED EXCLUSIVELY TO FINANCE THE ACQUISITION, CONSTRUCTION AND COMPLETION OF PERMANENT PUBLIC IMPROVEMENTS INCLUDING PUBLIC BUILDINGS AND FOR THE COSTS OF ACQUIRING LAND AND PERMANENT IMPROVEMENTS. THE FUND MAY ALSO BE USED TO MAKE ANNUAL PAYMENTS ON BOND INDEBTEDNESS FOR THE CONSTRUCTION OF PUBLIC FACILITIES AND TO ACQUIRE PUBLIC FACILITIES THROUGH LEASE PURCHASES. REVENUES ARE OBTAINED FROM THE SALE OF FIXED ASSETS, FROM LEASE OR RENTAL OF COUNTY-OWNED FACILITIES, AND FROM OTHER FUNDS SUCH AS GRANTS AND CONTRIBUTIONS WHEN ALLOCATED BY THE BOARD OF SUPERVISORS TO THE FUND.

EDGEMOOR DEVELOPMENT FUND

THE EDGEMOOR DEVELOPMENT FUND IS USED EXCLUSIVELY FOR ASSISTING IN THE DEVELOPMENT OF THE EDGEMOOR PROPERTY. THE EDGEMOOR PROPERTY REPRESENTS APPROXIMATELY 375 ACRES OF COUNTY OWNED LAND AND 50 ACRES OWNED BY THE GROSSMONT UNION HIGH SCHOOL DISTRICT IN THE SANTEE AREA FUTURE DEVELOPMENT MAY INCLUDE PARKS, A LIBRARY, HOUSING, A FIRE STATION, POST OFFICE AND OTHERS. REVENUES ARE DERIVED FROM THE SALE OR LEASE OF LAND WITHIN THE EDGEMOOR PROPERTY.

NONPROFIT CORPORATION FUND

THIS FUND IS USED TO ACCOUNT FOR THE EXPENDITURE OF THE PROCEEDS FROM THE SALE OF NONPROFIT CORPORATION LEASEHOLD REVENUE BONDS/CERTIFICATES OF PARTICIPATION FOR THE PURCHASE OF VARIOUS TYPES OF EQUIPMENT AND THE ACQUISITION AND CONSTRUCTION OF PERMANENT BUILDINGS BY THE COUNTY.

REDEVELOPMENT AGENCY FUNDS

THESE FUNDS ARE USED TO ACCOUNT FOR THE PROCEEDS OF REDEVELOPMENT AREA INCREMENTAL TAXES, INTEREST REVENUES AND TEMPORARY LOANS. REDEVELOPMENT PROJECT EXPENDITURES, IN ACCORDANCE WITH CALIFORNIA COMMUNITY REDEVELOPMENT LAW, INCLUDE REDEVELOPMENT PLANNING, DESIGN, IMPROVEMENT COSTS, PROFESSIONAL SERVICES AND ADMINISTRATIVE COSTS.



FINANCIAL REPORT OF SAN DIEGO COUNTY

**CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 5

	CAPITAL OUTLAY	EDGEMOOR DEVELOPMENT	NONPROFIT CORPORATION
ASSETS			
Equity in Pooled Cash and Investments	\$ 7,280	266	26,289
Cash with Fiscal Agent			1,076
Collections in Transit			
Accounts and Notes Receivable	5,485	1	
Due from Other Funds	14,463	10	1,760
Deposits with Others	7		
Total Assets	\$ 27,235	277	29,125
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 3,286		
Due to Other Funds	5,634		9,466
Advances from Other Funds			
Deferred Revenue	17,463		
Total Liabilities	26,383		9,466
Fund Balances:			
Reserved for Encumbrances		20	
Unreserved	852	257	19,659
Total Fund Balances (Statement 5A)	852	277	19,659
Total Liabilities and Fund Balances	\$ 27,235	277	29,125

FINANCIAL REPORT OF SAN DIEGO COUNTY

**CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 5 (Cont)

	REDEVELOPMENT AGENCY	TOTALS	
		1998	Restated 1997
ASSETS			
Equity in Pooled Cash and Investments	\$ 1,489	35,324	70,016
Cash with Fiscal Agent		1,076	2,241
Collections in Transit			420
Accounts and Notes Receivable	10	5,496	1,076
Due from Other Funds	15	16,248	20,024
Deposits with Others		7	7
Total Assets	\$ 1,514	58,151	93,784
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$	3,286	5,096
Due to Other Funds	25	15,125	8,844
Advances from Other Funds	3,298	3,298	3,198
Deferred Revenue		17,463	16,136
Total Liabilities	3,323	39,172	33,274
Fund Balances:			
Reserved for Encumbrances	114	134	277
Unreserved	(1,923)	18,845	60,233
Total Fund Balances (Statement 5A)	(1,809)	18,979	60,510
Total Liabilities and Fund Balances	\$ 1,514	58,151	93,784
(Statement 1A)			

(Statement 1A)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 1998
With Comparative Figures for Year Ended June 30, 1997
(In Thousands)**

STATEMENT 5A

	CAPITAL OUTLAY	EDGEMOOR DEVELOPMENT	NONPROFIT CORPORATION
Revenues:			
Taxes	\$ 287		
Fines, Forfeitures and Penalties	6,489		
Revenue from Use of Money and Property	2,541	66	5,207
Aid from Other Governmental Agencies:			
State	9,325		
Federal	410		
Other	391		
Charges for Current Services	1,499		
Other Revenue	332		700
Total Revenues	21,274	66	5,907
Expenditures:			
Capital Outlay	85,893	19	183
Excess of Revenues Over (Under) Expenditures	(64,619)	47	5,724
Other Financing Sources (Uses):			
Sale of Fixed Assets	881		
Operating Transfers In	92,519		13,323
Operating Transfers (Out)	(29,354)	(10)	(60,365)
Long-Term Debt Proceeds			
Total Other Financing Sources (Uses)	64,046	(10)	(47,042)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(573)	37	(41,318)
Fund Balances - Beginning of Year	706	240	60,977
Residual Equity Transfers In	719		
Fund Balances - End of Year (Statement 5)	\$ 852	277	19,659

FINANCIAL REPORT OF SAN DIEGO COUNTY

**CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 1998
With Comparative Figures for Year Ended June 30, 1997
(In Thousands)**

STATEMENT 5A (Cont)

	REDEVELOPMENT AGENCY	TOTALS	
		1998	Restated 1997
Revenues:			
Taxes	\$ 235	522	2,458
Fines, Forfeitures and Penalties		6,489	788
Revenue from Use of Money and Property	125	7,939	5,721
Aid from Other Governmental Agencies:			
State		9,325	8,634
Federal		410	616
Other		391	310
Charges for Current Services		1,499	173
Other Revenue	42	1,074	1,171
Total Revenues	402	27,649	19,871
Expenditures:			
Capital Outlay	798	86,893	67,715
Excess of Revenues Over (Under) Expenditures	(396)	(59,244)	(47,844)
Other Financing Sources (Uses):			
Sale of Fixed Assets		881	
Operating Transfers In		105,842	59,554
Operating Transfers (Out)		(89,729)	(48,350)
Long-Term Debt Proceeds			28,231
Total Other Financing Sources (Uses)		16,994	39,435
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(396)	(42,250)	(8,409)
Fund Balances - Beginning of Year	(1,413)	60,510	68,919
Residual Equity Transfers In		719	
Fund Balances - End of Year (Statement 5)	\$ (1,809)	18,979	60,510

CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)

STATEMENT 5B

	CAPITAL OUTLAY		EDGEMOOR DEVELOPMENT	
	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget
Revenues:				
Taxes	\$ 287	16,922		
Fines, Forfeitures and Penalties	6,489	7,294		
Revenue from Use of Money and Property	2,453	4,504	60	39
Aid from Other Governmental Agencies:				
State	9,325	14,271		
Federal	410	2,150		
Other	391	7,998		
Charges for Current Services	1,499	2,215		
Other Revenue	332	1,475		
Total Revenues	21,186	56,829	60	39
Expenditures:				
Capital Outlay	101,606	208,632	39	204
Excess of Revenues Over (Under) Expenditures	(80,420)	(151,803)	21	(165)
Other Financing Sources (Uses):				
Sale of Fixed Assets	881	8,887		
Long-Term Debt Proceeds	16,172	29,658		
Operating Transfers In	92,519	107,341		
Operating Transfers (Out)	(29,813)	(29,814)	(10)	(10)
Encumbrances, Beginning of Year	2	2	55	55
Total Other Financing Sources (Uses)	79,761	116,074	45	45
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (659)	(35,729)	66	(120)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 5B (Cont)

	REDEVELOPMENT AGENCY		TOTALS		
	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Taxes	\$ 235	229	522	17,151	(16,629)
Fines, Forfeitures and Penalties			6,489	7,294	(805)
Revenue from Use of Money and Property	63	10	2,576	4,553	(1,977)
Aid from Other Governmental Agencies:					
State			9,325	14,271	(4,946)
Federal			410	2,150	(1,740)
Other			391	7,998	(7,607)
Charges for Current Services			1,499	2,215	(716)
Other Revenue	42	10	374	1,485	(1,111)
Total Revenues	340	249	21,586	57,117	(35,531)
Expenditures:					
Capital Outlay	912	1,156	102,557	209,992	107,435
Excess of Revenues Over (Under) Expenditures	(572)	(907)	(80,971)	(152,875)	71,904
Other Financing Sources (Uses):					
Sale of Fixed Assets			881	8,887	(8,006)
Long-Term Debt Proceeds			16,172	29,658	(13,486)
Operating Transfers In			92,519	107,341	(14,822)
Operating Transfers (Out)		(3)	(29,823)	(29,827)	4
Encumbrances, Beginning of Year	220	220	277	277	
Total Other Financing Sources (Uses)	220	217	80,026	116,336	(36,310)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (352)	(690)	(945)	(36,539)	35,594

FINANCIAL REPORT OF SAN DIEGO COUNTY

**CAPITAL OUTLAY FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 5C

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Taxes	\$ 287		287	16,922	(16,635)
Fines, Forfeitures and Penalties	6,489		6,489	7,294	(805)
Revenue from Use of Money and Property	2,541	(88)	2,453	4,504	(2,051)
Aid from Other Governmental Agencies:					
State	9,325		9,325	14,271	(4,946)
Federal	410		410	2,150	(1,740)
Other	391		391	7,998	(7,607)
Charges for Current Services	1,499		1,499	2,215	(716)
Other Revenue	332		332	1,475	(1,143)
Total Revenues	21,274	(88)	21,186	56,829	(35,643)
Expenditures:					
Capital Outlay:					
Plant Acquisition:					
Other Charges	19,239	77	19,316	49,547	30,231
Fixed Assets	66,654	41,878	108,532	159,085	50,553
Expenditure Transfers		(26,242)	(26,242)		26,242
Total Expenditures	85,893	15,713	101,606	208,632	107,026
Excess of Revenues Over (Under) Expenditures	(64,619)	(15,801)	(80,420)	(151,803)	71,383
Other Financing Sources (Uses):					
Sale of Fixed Assets	881		881	8,887	(8,006)
Long Term Debt Proceeds		16,172	16,172	29,658	(13,486)
Operating Transfers In	92,519		92,519	107,341	(14,822)
Operating Transfers (Out)	(29,354)	(459)	(29,813)	(29,814)	1
Encumbrances, Beginning of Year		2	2	2	
Total Other Financing Sources (Uses)	64,046	15,715	79,761	116,074	(36,313)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (573)	(86)	(659)	(35,729)	35,070

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**EDGEMOOR DEVELOPMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 5C (Cont)

	Actual	Adjustment To Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Revenue from Use of Money and Property	\$ 66	(6)	60	39	21
Other Revenue					
Total Revenues	66	(6)	60	39	21
Expenditures:					
Capital Outlay:					
Services and Supplies	19	20	39	204	165
Excess of Revenues Over (Under) Expenditures	47	(26)	21	(165)	186
Other Financing Sources (Uses):					
Operating Transfers (Out)	(10)		(10)	(10)	
Encumbrances, Beginning of Year		55	55	55	
Total Other Financing Sources (Uses)	(10)	55	45	45	
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 37	29	66	(120)	186

FINANCIAL REPORT OF SAN DIEGO COUNTY

**REDEVELOPMENT AGENCY FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES -
(BUDGET AND ACTUAL) NONGAAP BUDGETARY BASIS
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 5C (Cont)

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:					
Taxes	\$ 235		235	229	6
Revenue from Use of Money and Property	125	(62)	63	10	53
Other Revenue	42		42	10	32
Total Revenues	402	(62)	340	249	91
Expenditures:					
Capital Outlay:					
Plant Acquisition:					
Services and Supplies	750	114	864	1,090	226
Other Charges	48		48	66	18
Total Expenditures	798	114	912	1,156	244
Excess of Revenues Over (Under) Expenditures	(396)	(176)	(572)	(907)	335
Other Financing Sources (Uses):					
Operating Transfers (Out)				(3)	3
Long-Term Debt Proceeds					
Encumbrances, Beginning of Year		220	220	220	
Total Other Financing Sources (Uses)		220	220	217	3
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (396)	44	(352)	(690)	338

ENTERPRISE FUNDS

ENTERPRISE FUNDS ARE USED TO ACCOUNT FOR OPERATIONS THAT ARE FINANCED AND OPERATED IN A MANNER SIMILAR TO PRIVATE BUSINESS ENTERPRISES--WHERE THE INTENT OF THE GOVERNMENT'S COUNCIL IS THAT THE COSTS OF PROVIDING GOODS OR SERVICES TO THE GENERAL PUBLIC ON A CONTINUING BASIS BE FINANCED OR RECOVERED PRIMARILY THROUGH USER CHARGES; OR WHERE THE GOVERNMENT'S COUNCIL HAS DECIDED THAT PERIODIC DETERMINATION OF NET INCOME IS APPROPRIATE FOR ACCOUNTABILITY PURPOSES.

AIRPORT FUND

THIS FUND IS USED TO ACCOUNT FOR THE MAINTENANCE, OPERATIONS AND DEVELOPMENT OF COUNTY AIRPORTS. A MAJOR OBJECTIVE OF THE AIRPORT PROGRAM IS TO PURCHASE AND DEVELOP AIRPORT PROPERTY IN ORDER TO CREATE TAX REVENUES AND CREATE JOBS IN THE PRIVATE SECTOR.

LIQUID WASTE FUND

THIS FUND IS USED TO ACCOUNT FOR OPERATIONAL SERVICES AND SUPPORT PROVIDED TO SANITATION DISTRICTS GOVERNED BY THE COUNTY BOARD OF SUPERVISORS.

TRANSIT FUND

THIS FUND IS USED TO ACCOUNT FOR THE OPERATIONS, MAINTENANCE AND DEVELOPMENT OF A RURAL TRANSIT SYSTEM AND TRANSIT RELATED PROJECTS.

SOLID WASTE FUND

THIS FUND IS USED TO ACCOUNT FOR THE OPERATIONS, MAINTENANCE AND DEVELOPMENT OF VARIOUS LANDFILLS AND DISPOSAL SITES FOR SOLID WASTE.

SANITATION DISTRICTS FUNDS

THESE FUNDS ARE USED TO ACCOUNT FOR THE ACTIVITIES OF ALL INDIVIDUAL SANITATION DISTRICTS GOVERNED BY THE COUNTY BOARD OF SUPERVISORS.



**ENTERPRISE FUNDS
COMBINING BALANCE SHEET
June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 6

	AIRPORT	LIQUID WASTE	TRANSIT
ASSETS			
Equity in Pooled Cash and Investments	\$ 6,319	565	3,488
Collections in Transit	1		
Imprest Cash	1	1	
Accounts and Notes Receivable, Net	118	2	212
Prepaid Expense			33
Due from Other Funds	77	500	346
Advances to Other Funds	2,604		
Inventory of Materials and Supplies	65	45	
Deposit with Others			
Equipment, Net of Allowance for Depreciation of \$37,625 in 1998 (\$54,608 in 1997)	19,639	116	2,362
Total Assets	\$ 28,824	1,229	6,441
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	\$ 69	41	1,199
Accrued Payroll	39	71	
Accrued Interest			
Due to Other Funds	155	109	20
Advances from Other Funds			
Due to Other Governments			1,705
Deferred Revenue	124		1,238
Long-Term Debt Payable	106	212	
Total Liabilities	493	433	4,162
Fund Equity:			
Contributed Capital: (Statement 6B)			
Grants and Contributions	15,922	695	7,530
Accumulated Depreciation on Grant Funded Fixed Assets			(5,168)
Retained Earnings: (Statement 6A)			
Unreserved	12,409	101	(83)
Total Fund Equity	28,331	796	2,279
Total Liabilities and Fund Equity	\$ 28,824	1,229	6,441

FINANCIAL REPORT OF SAN DIEGO COUNTY

**ENTERPRISE FUNDS
COMBINING BALANCE SHEET
June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 6 (Cont)

	SANITATION DISTRICTS	TOTALS	
		1998	Restated 1997
ASSETS			
Equity in Pooled Cash and Investments	\$ 44,611	54,983	53,896
Collections in Transit	3	4	670
Imprest Cash		2	16
Accounts and Notes Receivable, Net	940	1,272	3,352
Prepaid Expense		33	
Due from Other Funds	467	1,390	33,539
Advances to Other Funds	135	2,739	2,639
Inventory of Materials and Supplies		110	134
Deposit with Others			1
Equipment, Net of Allowance for Depreciation of \$37,625 in 1998 (\$54,608 in 1997)	47,163	69,280	127,073
Total Assets	\$ 93,319	129,813	221,320
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	\$ 114	1,423	4,394
Accrued Payroll		110	251
Accrued Interest	2	2	2
Due to Other Funds	4,167	4,451	2,429
Advances from Other Funds	362	362	6,577
Due to Other Governments		1,705	3,965
Deferred Revenue		1,362	2,734
Long-Term Debt Payable	450	768	90,829
Total Liabilities	5,095	10,183	111,181
Fund Equity:			
Contributed Capital: (Statement 6B)			
Grants and Contributions	21,846	45,993	51,141
Accumulated Depreciation on Grant Funded Fixed Assets		(5,168)	(4,580)
Retained Earnings: (Statement 6A)			
Unreserved	66,378	78,805	63,578
Total Fund Equity	88,224	119,630	110,139
Total Liabilities and Fund Equity	\$ 93,319	129,813	221,320

(Statement 1A)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 6A

	AIRPORT	LIQUID WASTE	TRANSIT	SOLID WASTE
Operating Revenues:				
Charges for Services	\$ 4,261	4,430	8,909	15,263
Operating Expenses:				
Salaries	1,282	2,851		2,363
Repairs and Maintenance	179	116	332	1,156
Equipment Rental	142	400		405
Sewage Processing				
Contracted Services	1,682	798	8,449	10,835
Depreciation	734	10	598	585
Utilities	120			81
Other	666	411	241	1,759
Total Operating Expenses	4,805	4,586	9,620	17,184
Operating Income (Loss)	(544)	(156)	(711)	(1,921)
Nonoperating Revenues:				
Interest	360	36	188	872
Taxes				
Grants	650			485
Gain on Disposal of Equipment				112,576
Other				90,635
Total Nonoperating Revenues	1,010	36	188	204,568
Nonoperating Expenses:				
Interest on Long-Term Debt				
Loss on Disposal of Equipment	65	227		
Equity Conveyed to Other Entities				
Other				25,438
Total Nonoperating Expenses	65	227		25,438
Nonoperating Income (Loss)	945	(191)	188	179,130
Income (Loss) Before Operating Transfers	401	(347)	(523)	177,209
Operating Transfers In				
Operating Transfers (Out)	(67)	(160)		(4,961)
Net Income (Loss)	334	(507)	(523)	172,248
Depreciation on Grant Funded Fixed Assets			598	
Increase (Decrease) in Retained Earnings	334	(507)	75	172,248
Retained Earnings - Beginning Balance	12,122	608	(158)	(14,245)
Residual Equity Transfers (Out)	(47)			(158,003)
Retained Earnings - Ending Balance (Statement 6)	\$ 12,409	101	(83)	

(Cont)

ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)

STATEMENT 6A (Cont)

	SANITATION DISTRICTS	TOTALS	
		1998	Restated 1997
Operating Revenues:			
Charges for Services	\$ 19,534	52,397	74,605
Operating Expenses:			
Salaries		6,496	9,068
Repairs and Maintenance		1,783	37,582
Equipment Rental		947	1,255
Sewage Processing	13,624	13,624	9,639
Contracted Services		21,764	29,451
Depreciation	1,517	3,444	4,013
Utilities	129	330	356
Other	2,251	5,328	8,394
Total Operating Expenses	17,521	53,716	99,758
Operating Income (Loss)	2,013	(1,319)	(25,153)
Nonoperating Revenues:			
Interest	2,577	4,033	6,097
Taxes	30	30	35
Grants		1,135	2,942
Gain on Disposal of Equipment		112,576	
Other	36	90,671	21,992
Total Nonoperating Revenues	2,643	208,445	31,066
Nonoperating Expenses:			
Interest on Long-Term Debt	27	27	29
Loss on Disposal of Equipment	13	305	77
Equity Conveyed to Other Entities	3,456	3,456	
Other		25,438	120,444
Total Nonoperating Expenses	3,496	29,226	120,550
Nonoperating Income (Loss)	(853)	179,219	(89,484)
Income (Loss) Before Operating Transfers	1,160	177,900	(114,637)
Operating Transfers In			63,568
Operating Transfers (Out)	(33)	(5,221)	(515)
Net Income (Loss)	1,127	172,679	(51,584)
Depreciation on Grant Funded Fixed Assets		598	633
Increase (Decrease) in Retained Earnings	1,127	173,277	(50,951)
Retained Earnings - Beginning Balance	65,251	63,578	114,529
Residual Equity Transfers (Out)		(158,050)	
Retained Earnings - Ending Balance (Statement 6)	\$ 66,378	78,805	63,578

FINANCIAL REPORT OF SAN DIEGO COUNTY

**ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 6B

	AIRPORT	LIQUID WASTE	TRANSIT	SOLID WASTE
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ (544)	(156)	(711)	(1,921)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	733	10	598	585
Decrease (Increase) in Accounts & Notes Receivable, Net	68	3	(110)	2,270
Decrease (Increase) in Prepaid Expense			(33)	
Decrease (Increase) in Due from Other Funds	120	273	(243)	25,484
Decrease (Increase) in Inventory of Material & Supplies	(13)	29		8
Increase (Decrease) in Accounts Payable	(4)	35	46	(2,645)
Increase (Decrease) in Accrued Payroll	5	(6)		(138)
Increase (Decrease) in Due to Other Funds	23	(2)	(211)	(1,169)
Increase (Decrease) in Due to Other Governments			317	(2,577)
Increase (Decrease) in Long-Term Debt Payable	3	(6)		(89,916)
Increase (Decrease) in Deferred Revenue	124			(1,969)
Other Revenues				90,635
Other Expenses				(25,438)
Net Cash Provided (Used) by Operating Activities	515	180	(347)	(6,791)
Cash Flows from Non-Capital Financing Activities:				
Loan Repayment from Other Agency				
Grants	650		473	485
Subsidies Received from Other Funds				
Loans to Other Funds	(100)			
Transfers from (to) Other Funds	(67)	(160)		(4,961)
Equity Conveyed to other Entities				
Residual Equity Transfers (Out)	(47)			(158,003)
Net Cash Provided (Used) by Non-Capital Financing Activities	436	(160)	473	(162,479)
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Fixed Assets	(358)	(54)		(800)
Proceeds from Sale of Equipment				163,237
Grants				
Principal Paid on Long-Term Debt				
Interest Paid on Long-Term Debt				
Deposit with Others				
Net Cash Provided (Used) by Capital and Related Financing Activities	(358)	(54)		162,437
Cash Flows from Investing Activities:				
Interest	346	39	182	1,217
Net Increase (Decrease) in Cash and Cash Equivalents	939	5	308	(5,616)
Cash and Cash Equivalents-Beginning of Year	5,382	561	3,180	5,616
Cash and Cash Equivalents-End of Year	\$ 6,321	566	3,488	
Noncash Investing, Capital Financing Activities:				
Acquisition of fixed assets from donations	\$			
Transfer fixed assets from (to) Gen Fixed Assets/Other funds			(45)	7
Total Noncash Investing, Capital Financing Activities	\$		(45)	7

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 6B (Cont)

	SANITATION DISTRICTS	TOTALS	
		1998	Restated 1997
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ 2,013	(1,319)	(25,153)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	1,517	3,443	4,013
Decrease (Increase) in Accounts & Notes Receivable, Net	(149)	2,082	2,369
Decrease (Increase) in Prepaid Expense		(33)	
Decrease (Increase) in Due from Other Funds	(78)	25,556	(4,780)
Decrease (Increase) in Inventory of Material & Supplies		24	(6)
Increase (Decrease) in Accounts Payable	(476)	(3,044)	(2,702)
Increase (Decrease) in Accrued Payroll		(139)	26
Increase (Decrease) in Due to Other Funds	3,407	2,048	817
Increase (Decrease) in Due to Other Governments	(15)	(2,275)	623
Increase (Decrease) in Long-Term Debt Payable		(89,919)	36,281
Increase (Decrease) in Deferred Revenue		(1,845)	(99)
Other Revenues	65	90,700	22,006
Other Expenses		(25,438)	(120,402)
Net Cash Provided (Used) by Operating Activities	6,284	(159)	(87,007)
Cash Flows from Non-Capital Financing Activities:			
Loan Repayment from Other Agency	40	40	20
Grants		1,608	2,870
Subsidies Received from Other Funds			63,568
Loans to Other Funds		(100)	(1,181)
Transfers from (to) Other Funds	(33)	(5,221)	(515)
Equity Conveyed to other Entities	(3,436)	(3,436)	
Residual Equity Transfers (Out)		(158,050)	
Net Cash Provided (Used) by Non-Capital Financing Activities	(3,429)	(165,159)	64,762
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Fixed Assets	(561)	(1,773)	(8,410)
Proceeds from Sale of Equipment		163,237	
Grants			
Principal Paid on Long-Term Debt	(73)	(73)	(18)
Interest Paid on Long-Term Debt	(27)	(27)	(29)
Deposit with Others			1,923
Net Cash Provided (Used) by Capital and Related Financing Activities	(661)	161,364	(6,534)
Cash Flows from Investing Activities:			
Interest	2,577	4,361	6,467
Net Increase (Decrease) in Cash and Cash Equivalents	4,771	407	(22,312)
Cash and Cash Equivalents-Beginning of Year	39,843	54,582	76,894
Cash and Cash Equivalents-End of Year	\$ 44,614	54,989	54,582
Noncash Investing, Capital Financing Activities:			
Acquisition of fixed assets from donations	\$ 683	683	541
Transfer fixed assets from (to) Gen Fixed Assets/Other funds		(38)	
Total Noncash Investing, Capital Financing Activities	\$ 683	645	541



INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS ARE ESTABLISHED TO ACCOUNT FOR SERVICES FURNISHED TO OTHER COUNTY DEPARTMENTS AND ARE FINANCED PRIMARILY BY THESE SERVICE CHARGES. BECAUSE THEY ARE EXEMPT FROM BUDGETARY CONTROL, THEY ARE FREE TO EMPLOY COMMERCIAL ACCOUNTING TECHNIQUES, AND ARE OFTEN USED IN SITUATIONS WHERE A MORE ACCURATE DETERMINATION OF OPERATING RESULTS IS DESIRED.

ROAD AND COMMUNICATION EQUIPMENT FUND

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR THE FINANCING OF PUBLIC WORKS AND COMMUNICATIONS EQUIPMENT PROVIDED TO OTHER COUNTY DEPARTMENTS ON A COST REIMBURSEMENT BASIS.

PURCHASING FUND

THIS FUND ACCOUNTS FOR THE FINANCING OF MATERIALS AND SUPPLIES PROVIDED TO COUNTY DEPARTMENTS ON A COST REIMBURSEMENT BASIS.

SPECIAL DISTRICT LOANS FUND

THIS FUND WAS ESTABLISHED TO PROVIDE FINANCING FOR START UP SERVICES FOR NEW SPECIAL DISTRICTS AND COUNTY SERVICE AREAS ON A COST REIMBURSEMENT BASIS.

RISK FINANCING

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR ALL OF THE COUNTY'S UNINSURED RISK MANAGEMENT ACTIVITIES.

FLEET SERVICES FUND

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR THE FINANCING OF GENERAL SERVICES' FLEET VEHICLES PROVIDED TO OTHER COUNTY DEPARTMENTS ON A COST REIMBURSEMENT BASIS.

MAIL, PRINT & RECORDS

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR THE FINANCING OF GENERAL SERVICES' MAIL, PRINTING AND RECORD STORAGE SERVICES PROVIDED TO OTHER COUNTY DEPARTMENTS ON A COST REIMBURSEMENT BASIS.

OTHER MISCELLANEOUS FUND

THIS FUND WAS ESTABLISHED TO PROVIDE FOR THE FINANCING OF CLOTHING AND PERSONAL SUNDRY ITEMS FOR PERSONS INSTITUTIONALIZED AT VARIOUS COUNTY FACILITIES.

FINANCIAL REPORT OF SAN DIEGO COUNTY

**INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 7

	ROAD AND COMMUNICATION EQUIPMENT	PURCHASING	SPECIAL DISTRICT LOANS
ASSETS			
Equity in Pooled Cash and Investments	\$ 20,379	669	420
Collections in Transit			
Imprest Cash		200	
Accounts Receivable		9	
Due from Other Funds	821	4,353	
Advances to Other Funds			476
Inventory of Equipment, Materials and Supplies, at cost	460	1,040	
Equipment, Net of Allowance for Depreciation of \$13,288 in 1998 (\$10,392 in 1997)	14,216		
Total Assets	\$ 35,876	6,271	896
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	\$ 494	4,798	
Due to Other Funds	3,454		
Long-Term Debt Payable			
Total Liabilities	\$ 3,948	4,798	
Fund Equity:			
Contributed Capital (Statement 7B)	9,541	1,171	896
Retained Earnings:			
Unreserved	22,387	302	
Total Fund Equity	\$ 31,928	1,473	896
Total Liabilities and Fund Equity	\$ 35,876	6,271	896

FINANCIAL REPORT OF SAN DIEGO COUNTY

**INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET**

June 30, 1998

**With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 7

	RISK FINANCING	FLEET SERVICES	MAIL, PRINT & RECORDS
ASSETS			
Equity in Pooled Cash and Investments	\$ 27,856	3,316	642
Collections in Transit			
Imprest Cash			
Accounts Receivable		16	88
Due from Other Funds	89	2,717	106
Advances to Other Funds			
Inventory of Equipment, Materials and Supplies, at cost		827	207
Equipment, Net of Allowance for Depreciation of \$13,288 in 1998 (\$10,392 in 1997)		12,580	821
Total Assets	\$ 27,945	19,456	1,864
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	\$ 262	886	82
Due to Other Funds	637	95	220
Long-Term Debt Payable	84,256	4,302	415
Total Liabilities	\$ 85,155	5,283	717
Fund Equity:			
Contributed Capital (Statement 7B)		13,580	574
Retained Earnings:			
Unreserved	(57,210)	593	573
Total Fund Equity	\$ (57,210)	14,173	1,147
Total Liabilities and Fund Equity	\$ 27,945	19,456	1,864

FINANCIAL REPORT OF SAN DIEGO COUNTY

**INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 7 (Cont)

			TOTALS	
OTHER MISCELLANEOUS			1998	Restated 1997
ASSETS				
Equity in Pooled Cash and Investments	\$	776	54,058	41,603
Collections in Transit		89	89	111
Imprest Cash			200	200
Accounts Receivable			113	15
Due from Other Funds		63	8,149	3,061
Advances to Other Funds			476	543
Inventory of Equipment, Materials and Supplies, at cost		152	2,686	1,884
Equipment, Net of Allowance for Depreciation of \$13,288 in 1998 (\$10,392 in 1997)		57	27,674	21,285
Total Assets	\$	1,137	93,445	68,702
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	\$	89	6,611	2,611
Due to Other Funds		181	4,587	1,469
Long-Term Debt Payable			88,973	76,410
Total Liabilities	\$	270	100,171	80,490
Fund Equity:				
Contributed Capital (Statement 7B)		4	25,766	25,111
Retained Earnings:				
Unreserved		863	(32,492)	(36,899)
Total Fund Equity	\$	867	(6,726)	(11,788)
Total Liabilities and Fund Equity	\$	1,137	93,445	68,702

(Statement 1A)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 7A

	ROAD AND COMMUNICATION EQUIPMENT	PURCHASING	RISK FINANCING	FLEET SERVICES
Operating Revenues:				
Charges for Services	\$ 6,991	43,275	29,091	5,963
Operating Expenses:				
Cost of materials	584	43,283		730
Claims and Judgments			27,828	
Repairs and maintenance	3,005			455
Fuel	462			2,566
Contracted Services				150
Depreciation	1,520			1,515
Other	637			58
Total Operating Expenses	6,208	43,283	27,828	5,474
Operating Income (Loss)	783	(8)	1,263	489
Nonoperating Revenues:				
Interest	1,275	21	494	160
Gain on Disposal of Equipment				
Total Nonoperating Revenues	1,275	21	494	160
Nonoperating Expenses:				
Loss on Disposal of Equipment	408			
Interest on Long Term Debt				241
Total Nonoperating Expenses	408			241
Nonoperating Income (Loss)	867	21	494	(81)
Income (Loss) Before Operating Transfers	1,650	13	1,757	408
Operating Transfers In				242
Operating Transfers (Out)				
Net Income (Loss)	1,650	13	1,757	650
Retained Earnings:				
Beginning Balance	21,250	289	(58,967)	(57)
Residual Equity Transfers (Out)	(513)			
Ending Balance (Statement 7)	\$ 22,387	302	(57,210)	593

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 7A (Cont)

	MAIL, PRINT & RECORDS	OTHER MISCELLANEOUS	TOTALS	
			1998	Restated 1997
Operating Revenues:				
Charges for Services	\$ 8,136	2,869	96,325	76,340
Operating Expenses:				
Cost of materials	7,281	1,356	53,234	40,894
Claims and Judgments			27,828	4,948
Repairs and maintenance	178	15	3,653	3,215
Fuel	2		3,030	569
Contracted Services			150	
Depreciation	74	19	3,128	2,166
Other	38	219	952	2,411
Total Operating Expenses	7,573	1,609	91,975	54,203
Operating Income (Loss)	563	1,260	4,350	22,137
Nonoperating Revenues:				
Interest	10	12	1,972	1,045
Gain on Disposal of Equipment				13
Total Nonoperating Revenues	10	12	1,972	1,058
Nonoperating Expenses:				
Loss on Disposal of Equipment			408	1
Interest on Long Term Debt			241	
Total Nonoperating Expenses			649	1
Nonoperating Income (Loss)	10	12	1,323	1,057
Income (Loss) Before Operating Transfers	573	1,272	5,673	23,194
Operating Transfers In			242	
Operating Transfers (Out)		(995)	(995)	(451)
Net Income (Loss)	573	277	4,920	22,743
Retained Earnings:				
Beginning Balance		586	(36,899)	(59,642)
Residual Equity Transfers (Out)			(513)	
Ending Balance (Statement 7)	\$ 573	863	(32,492)	(36,899)

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)

STATEMENT 7B

	ROAD AND COMMUNICATION EQUIPMENT	PURCHASING	SPECIAL DISTRICT LOANS
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ 783	(8)	
Adjustments to Reconcile Operating Income (Loss)			
To Net Cash Provided by Operating Activities:			
Depreciation	1,520		
Decrease (Increase) in Accounts Receivable	8	2	
Decrease (Increase) in Due from Other Funds	(363)	(2,551)	
Decrease (Increase) in Inventory	240	22	
Increase (Decrease) in Accounts Payable	370	2,453	
Increase (Decrease) in Due to Other Funds	560	5	(16)
Increase (Decrease) in Long-Term Debt Payable			
Net Cash Provided (Used) by Operating Activities	3,118	(77)	(16)
Cash Flows from Non-Capital Financing Activities:			
Residual Equity Transfer In			
Residual Equity Transfer (Out)	(513)		
Payments from Other Funds			
Transfers from (to) Other Funds			
Advances Made on Long-Term Loans			67
Net Cash Provided (Used) by Non-Capital Financing Activities	(513)		67
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Fixed Assets	(3,019)		
Proceeds from Sales of Equipment	181		
Principal paid on Long-Term Debt			
Interest Paid on Long Term Debt			
Residual Equity Transfers In	47		
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,791)		
Cash Flows from Investing Activities:			
Interest	1,271	21	9
Net Increase (Decrease) in Cash and Cash Equivalents	1,085	(56)	60
Cash and Cash Equivalents-Beginning of Year	19,294	925	360
Cash and Cash Equivalents-End of Year	\$ 20,379	869	420
Noncash Investing, Capital Financing Activities			
Transfer Fixed Assets from(to) Gen Fixed Assets/Other Funds	\$ (3,038)		
Acquisition of Fixed Assets through Capital Lease			
Assumption of Capital Lease from Gen Long-Term Debt			
Residual Equity Transfer from General Fund			
Total Noncash Investing, Capital Financing Activities	\$ (3,038)		

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 7B (Cont)

	RISK FINANCING	FLEET SERVICES	MAIL, PRINT & RECORDS
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ 1,263	489	563
Adjustments to Reconcile Operating Income (Loss)			
To Net Cash Provided by Operating Activities:			
Depreciation		1,515	74
Decrease (Increase) in Accounts Receivable	3	(16)	(88)
Decrease (Increase) in Due from Other Funds	314	285	(102)
Decrease (Increase) in Inventory		(261)	(207)
Increase (Decrease) in Accounts Payable	184	140	81
Increase (Decrease) in Due to Other Funds	(218)	(7)	220
Increase (Decrease) in Long-Term Debt Payable	7,848		
Net Cash Provided (Used) by Operating Activities	9,394	2,145	541
Cash Flows from Non-Capital Financing Activities:			
Residual Equity Transfer In		2,956	103
Residual Equity Transfer (Out)			
Payments from Other Funds			
Transfers from (to) Other Funds		241	
Advances Made on Long-Term Loans			
Net Cash Provided (Used) by Non-Capital Financing Activities		3,197	103
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Fixed Assets		(3,061)	(7)
Proceeds from Sales of Equipment			
Principal paid on Long-Term Debt		(1,502)	
Interest Paid on Long Term Debt		(241)	
Residual Equity Transfers In			
Net Cash Provided (Used) by Capital and Related Financing Activities		(4,804)	(7)
Cash Flows from Investing Activities:			
Interest	494	133	5
Net Increase (Decrease) in Cash and Cash Equivalents	9,888	671	642
Cash and Cash Equivalents-Beginning of Year	17,968	2,645	
Cash and Cash Equivalents-End of Year	\$ 27,856	3,316	642
Noncash Investing, Capital Financing Activities			
Transfer Fixed Assets from(to) Gen Fixed Assets/Other Funds	\$	2,066	471
Acquisition of Fixed Assets through Capital Lease		1,188	415
Assumption of Capital Lease from Gen Long-Term Debt		(4,616)	
Residual Equity Transfer from General Fund		2,594	
Total Noncash Investing, Capital Financing Activities	\$	1,232	886

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1998
With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 7B (Cont)

	OTHER MISCELLANEOUS	TOTALS	
		1998	Restated 1997
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ 1,260	4,350	22,137
Adjustments to Reconcile Operating Income (Loss)			
To Net Cash Provided by Operating Activities:			
Depreciation	19	3,128	2,165
Decrease (Increase) in Accounts Receivable		(91)	40
Decrease (Increase) in Due from Other Funds	(28)	(2,445)	247
Decrease (Increase) in Inventory	(29)	(235)	425
Increase (Decrease) in Accounts Payable	15	3,243	(502)
Increase (Decrease) in Due to Other Funds	(111)	433	558
Increase (Decrease) in Long-Term Debt Payable		7,848	(17,117)
Net Cash Provided (Used) by Operating Activities	1,126	16,231	7,953
Cash Flows from Non-Capital Financing Activities:			
Residual Equity Transfer In		3,059	2,131
Residual Equity Transfer (Out)		(513)	
Payments from Other Funds			1,091
Transfers from (to) Other Funds		241	
Advances Made on Long-Term Loans	(995)	(928)	(385)
Net Cash Provided (Used) by Non-Capital Financing Activities	(995)	1,859	2,837
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Fixed Assets		(6,087)	(2,317)
Proceeds from Sales of Equipment		181	274
Principal paid on Long-Term Debt		(1,502)	
Interest Paid on Long Term Debt		(241)	
Residual Equity Transfers In		47	
Net Cash Provided (Used) by Capital and Related Financing Activities		(7,602)	(2,043)
Cash Flows from Investing Activities:			
Interest	12	1,945	1,031
Net Increase (Decrease) in Cash and Cash Equivalents	143	12,433	9,778
Cash and Cash Equivalents-Beginning of Year	722	41,914	32,136
Cash and Cash Equivalents-End of Year	\$ 865	54,347	41,914
Noncash Investing, Capital Financing Activities			
Transfer Fixed Assets from(to) Gen Fixed Assets/Other Funds	\$	(501)	
Acquisition of Fixed Assets through Capital Lease		1,603	
Assumption of Capital Lease from Gen Long-Term Debt		(4,616)	
Residual Equity Transfer from General Fund		2,594	2,131
Total Noncash Investing, Capital Financing Activities	\$	(920)	2,131

TRUST AND AGENCY FUNDS

THE TRUST AND AGENCY FUND SECTION CONSISTS OF OVER 1,500 DIFFERENT FUNDS MAINTAINED IN THE COUNTY'S ACCOUNTING SYSTEM. THEY ARE GROUPED BELOW BY MAJOR CATEGORY FOR REPORTING PURPOSES.

PENSION TRUST FUND

THIS FUND IS UNDER THE CONTROL OF THE BOARD OF RETIREMENT. THE FUND ACCUMULATES EMPLOYER AND EMPLOYEE CONTRIBUTIONS AND EARNINGS FROM THE FUND'S INVESTMENTS. DISBURSEMENTS ARE MADE FROM THE FUND FOR RETIREMENTS, DISABILITY AND DEATH BENEFITS AND REFUNDS. THIS FUND INCLUDES ALL ASSETS OF THE RETIREMENT SYSTEM

INVESTMENT TRUST

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR THE EXTERNAL PORTION OF THE COUNTY TREASURER'S INVESTMENT POOL. THIS FUND CONSISTS OF SCHOOL DISTRICTS, SPECIAL DISTRICTS, AND FUNDS HELD FOR OTHER GOVERNMENTS, ORGANIZATIONS AND INDIVIDUALS.

PROPERTY TAX COLLECTION FUNDS

THESE FUNDS ARE USED FOR RECORDING THE COLLECTION AND DISTRIBUTION OF PROPERTY TAXES AND ARE UNDER THE CONTROL OF ONE OR MORE COUNTY OFFICERS.

COUNTY DEPARTMENTAL FUNDS

THESE FUNDS ARE UNDER THE CONTROL OF A SINGLE COUNTY OFFICER WHO USES THE FUNDS FOR VARIOUS TYPES OF DEPOSIT RECEIPTS. DISBURSEMENTS ARE MADE FROM THESE FUNDS BY THE AUDITOR AND CONTROLLER BASED ON A PROPERLY WRITTEN AUTHORIZATION FROM THE RESPONSIBLE OFFICER.

SPECIAL PURPOSE FUNDS

THESE FUNDS ARE UNDER THE CONTROL OF VARIOUS COUNTY OFFICERS AND ARE USED TO ACCUMULATE RESOURCES FOR SPECIFIC PURPOSES, E.G., SPECIAL ASSESSMENT DISTRICT DEBT SERVICE FUNDS FROM WHICH THE COUNTY TREASURER/TAX COLLECTOR ACTS IN A TRUST CAPACITY, DISBURSING ACCUMULATED MONIES TO BONHOLDERS IN PAYMENT OF BOND PRINCIPAL AND INTEREST, DELINQUENT PROPERTY TAX COLLECTION, SPECIAL ASSESSMENT BONDS WHICH ARE ISSUED TO FINANCE CONSTRUCTION UNDER THE 1911 AND 1913 ACTS, TEETER OBLIGATION COMMERCIAL PAPER NOTES TO PROVIDE ONGOING FINANCING FOR TAX APPORTIONMENTS TO TAXING JURISDICTIONS WITHIN THE COUNTY IN THE AMOUNT OF DELINQUENT SECURED PROPERTY TAXES DUE THESE DISTRICTS, AND TAX DEFERRED COMPENSATION AMOUNTS FOR EMPLOYEES WHO CHOOSE TO PARTICIPATE IN THE COUNTY'S DEFERRED COMPENSATION PLAN.





FINANCIAL REPORT OF SAN DIEGO COUNTY

**TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET**

June 30, 1998

**With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 8

	TRUST		AGENCY	
	PENSION TRUST FUND	INVESTMENT TRUST	PROPERTY TAX COLLECTION FUNDS	COUNTY DEPARTMENTAL FUNDS
ASSETS				
Equity in Pooled Cash and Investments	\$ 2,671	1,013,337	66,792	87,001
Cash with Fiscal Agent	218,551		4,798	193
Collections in Transit		8,406	12,803	1,679
Imprest Cash		30		7
Investments	3,662,644	171		
Taxes Receivable			137,096	
Accounts Receivable	31,869	11,290		
Due from Other Funds	52	14,119	1,366	2,952
Fixed Assets, Net	416			
Total Assets	\$ 3,916,203	1,047,353	222,855	91,832
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts Payable	\$ 24,943			
Due to Other Funds	9,814	33,853	4,980	27,179
Obligations Under Securities Lending	375,327			
Due to Other Governments			217,875	64,653
Advances from Other Funds				
Amount Due Employees for Deferred Compensation				
Amount Due for Commercial Paper Notes				
Total Liabilities	410,084	33,853	222,855	91,832
Fund Balance:				
Reserved for Pool Participants		1,013,500		
Reserved for Employees' Pension Benefits	3,506,119			
Total Fund Balances	3,506,119	1,013,500		
Total Liabilities and Fund Balances	\$ 3,916,203	1,047,353	222,855	91,832

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET**

June 30, 1998

**With Comparative Figures for June 30, 1997
(In Thousands)**

STATEMENT 8 (Cont)

	AGENCY	TOTALS	
	SPECIAL PURPOSE FUNDS	1998	Restated 1997
ASSETS			
Equity in Pooled Cash and Investments	\$ 218,245	1,388,046	1,408,846
Cash with Fiscal Agent	291,640	515,182	484,805
Collections in Transit	1,009	23,897	11,855
Imprest Cash	35	72	46
Investments	2	3,662,817	3,026,868
Taxes Receivable	66,547	203,643	225,333
Accounts Receivable		43,159	58,198
Due from Other Funds	11,441	29,930	40,743
Fixed Assets, Net		416	237
Total Assets	\$ 588,919	5,867,162	5,256,931
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$	24,943	20,007
Due to Other Funds	26,840	102,666	134,405
Obligations Under Securities Lending		375,327	227,688
Due to Other Governments	219,992	502,520	427,448
Advances from Other Funds			156
Amount Due Employees for Deferred Compensation	275,416	275,416	216,128
Amount Due for Commercial Paper Notes	66,671	66,671	77,359
Total Liabilities	588,919	1,347,543	1,103,191
Fund Balance:			
Reserved for Pool Participants		1,013,500	1,057,295
Reserved for Employees' Pension Benefits		3,506,119	3,096,445
Total Fund Balances		4,519,619	4,153,740
Total Liabilities and Fund Balances	\$ 588,919	5,867,162	5,256,931

**PENSION TRUST FUND
STATEMENT OF PLAN NET ASSETS
June 30, 1998
(In Thousands)**

STATEMENT 8A

	1998	Restated 1997
ASSETS		
Cash and Short-Term Investments	\$	
Cash with Fiscal Agents	218,551	265,003
Cash in County Treasury, at Fair Value	2,671	3,104
Investments	3,662,644	3,026,711
Receivables	31,869	47,393
Due from Other Funds	52	1,697
Fixed Assets, Net	416	237
Total Assets	\$ 3,916,203	3,344,145
LIABILITIES		
Accounts Payable	\$ 24,943	20,007
Due to Other Funds	9,814	5
Obligations Under Securities Lending	375,327	227,688
Total Liabilities	410,084	247,700
Net Assets Held in Trust for Pension Benefits	\$ 3,506,119	3,096,445

**INVESTMENT TRUST FUND
STATEMENT OF NET ASSETS
June 30, 1998
(In Thousands)**

STATEMENT 8A (Cont)

	1998	Restated 1997
ASSETS		
Cash and Short-Term Investments		
Cash with Fiscal Agents		
Cash in County Treasury, at Fair Value	\$ 1,013,337	1,101,509
Collection in Transit	8,406	3,198
Imprest Cash	30	4
Investments	171	155
Receivables	11,290	10,805
Due from Other Funds	14,119	13,124
Total Assets	\$ 1,047,353	1,128,795
LIABILITIES		
Accounts Payable	\$	
Due to Other Funds	33,853	71,344
Advances from Other funds		156
Total Liabilities	33,853	71,500
Net Assets Held in Trust for Pool Participants	\$ 1,013,500	1,057,295

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 1998
(In Thousands)

STATEMENT 8B

	Beginning Balance	Additions	Deductions	Ending Balance
PROPERTY TAX COLLECTION FUNDS				
ASSETS				
Equity in Pooled Cash and Investments	\$ 52,341	2,094,248	2,079,797	66,792
Cash with Fiscal Agents	10,401	49,571	55,174	4,798
Collections in Transit	7,849	12,803	7,849	12,803
Taxes Receivable	149,500	2,188,274	2,200,678	137,096
Accounts Receivable				
Due from Other Funds	1,788	96,476	96,898	1,366
Total Assets	\$ 221,879	4,441,372	4,440,396	222,855
LIABILITIES				
Due to Other Funds	\$ 4,706	98,172	97,898	4,980
Due to Other Governments	217,173	4,794,325	4,793,623	217,875
Total Liabilities	\$ 221,879	4,892,497	4,891,521	222,855
COUNTY DEPARTMENTAL FUNDS				
ASSETS				
Equity in Pooled Cash and Investments	\$ 71,196	2,659,424	2,643,619	87,001
Cash with Fiscal Agent	863	343,970	344,640	193
Collections in Transit	387	2,294	1,002	1,679
Imprest Cash	7			7
Accounts Receivable				
Due from Other Funds	14,828	10,940	22,816	2,952
Total Assets	\$ 87,281	3,016,628	3,012,077	91,832
LIABILITIES				
Due to Other Funds	\$ 42,341	89,512	104,674	27,179
Due to Other Governments	44,940	2,165,739	2,146,026	64,653
Total Liabilities	\$ 87,281	2,255,251	2,250,700	91,832

(Cont)

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 1998
(In Thousands)**

STATEMENT 8B (Cont)

	Beginning Balance	Additions	Deductions	Ending Balance
SPECIAL PURPOSE FUNDS				
ASSETS				
Equity in Pooled Cash and Investments	\$ 180,696	1,917,425	1,879,876	218,245
Cash with Fiscal Agent	208,538	127,804	44,702	291,640
Collections in Transit	421	1,070	482	1,009
Imprest Cash	35			35
Investments	2			2
Taxes Receivable	75,833	49,924	59,210	66,547
Accounts Receivable				
Due from Other Funds	9,306	37,954	35,819	11,441
Total Assets	\$ 474,831	2,134,177	2,020,089	588,919
LIABILITIES				
Due to Other Funds	\$ 16,009	38,577	27,746	26,840
Amount Due Employees for Deferred Compensation	216,128	94,982	35,694	275,416
Due to Other Governments	165,335	1,946,822	1,892,165	219,992
Amount Due for Commercial Paper Notes	77,359	49,924	60,612	66,671
Total Liabilities	\$ 474,831	2,130,305	2,016,217	588,919
TOTAL AGENCY FUNDS				
ASSETS				
Equity in Pooled Cash and Investments	\$ 304,233	6,671,097	6,603,292	372,038
Cash with Fiscal Agent	219,802	521,345	444,516	296,631
Collections in Transit	8,657	16,167	9,333	15,491
Imprest Cash	42			42
Investments	2			2
Taxes Receivable	225,333	2,238,198	2,259,888	203,643
Accounts Receivable				
Due from Other Funds	25,922	145,370	155,533	15,759
Interfund Receivables				
Total Assets	\$ 783,991	9,592,177	9,472,562	903,606
LIABILITIES				
Due to Other Funds	\$ 63,056	226,261	230,318	58,999
Advances from Other Funds				
Amount Due Employees for Deferred Compensation	216,128	94,982	35,694	275,416
Due to Other Governments	427,448	8,906,886	8,831,814	502,520
Amount Due for Commercial Paper Notes	77,359	49,924	60,612	66,671
Total Liabilities	\$ 783,991	9,278,053	9,158,438	903,606



ACCOUNT GROUP

GENERAL FIXED ASSETS

TO ACCOUNT FOR FIXED ASSETS NOT USED IN PROPRIETARY FUND TYPE OPERATIONS

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
JUNE 30, 1998
(In Thousands)**

SCHEDULE 1

FUNCTION AND ACTIVITY	LAND	STRUCTURES AND IMPROVEMENTS	EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
General:					
Legislative and Administrative	\$		371		371
Finance			7,378		7,378
Counsel			152		152
Personnel			425		425
Elections			1,053		1,053
Communication			1,095		1,095
Property Management	169,250	397,378	42,272	447,935	1,056,835
Other General	2,303	50,907	14,854	4,130	72,194
Total General	171,553	448,285	67,600	452,065	1,139,503
Public protection:					
Judicial			3,161		3,161
Police Protection			13,220		13,220
Detention and Correction			2,500		2,500
Fire Protection	350		348	69	767
Protective Inspection			591		591
Other Protection	18,663	34,201	7,337	302	60,503
Total Public Protection	19,013	34,201	27,157	371	80,742
Public Ways and Facilities:					
Public Ways	1,015	1,922	2,529		5,466
Health and Sanitation:					
Health Services			6,754		6,754
Public Assistance:					
Administration			2,642		2,642
Education:					
Library Services	213	2,247	563		3,023
Agricultural Education			6		6
Total Education	213	2,247	569		3,029
Recreational and Cultural Services:					
Recreational Facilities	175	71	861		1,107
Total	\$ 191,969	486,726	108,112	452,436	1,239,243

(Statement 1A)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
Year Ended June 30, 1998
(In Thousands)**

SCHEDULE 2

FUNCTION AND ACTIVITY	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS	ENDING BALANCE
General:				
Legislative and Administrative	\$ 708	19	356	371
Finance	8,012	3,841	4,475	7,378
Counsel	421	43	312	152
Personnel	851	100	526	425
Elections	1,209	14	170	1,053
Communication	921	238	64	1,095
Property Management	993,352	74,273	10,790	1,056,835
Other General	76,287	48,325	52,418	72,194
Total General	1,081,761	126,853	69,111	1,139,503
Public protection:				
Judicial	19,412	761	17,012	3,161
Police Protection	19,182	1,009	6,971	13,220
Detention and Correction	4,222	337	2,059	2,500
Fire Protection	836		69	767
Protective Inspection	781	103	293	591
Other Protection	11,153	54,532	5,182	60,503
Total Public Protection	55,586	56,742	31,586	80,742
Public Ways and Facilities:				
Public Ways	7,377	147	2,058	5,466
Health and Sanitation:				
Health Services	11,867	300	5,413	6,754
Public Assistance:				
Administration	6,761	12	4,131	2,642
Education:				
Library Services	3,460	38	475	3,023
Agricultural Education	13		7	6
Total Education	3,473	38	482	3,029
Recreational and Cultural Services:				
Recreational Facilities	1,265	206	364	1,107
Total	\$ 1,168,090	184,298	113,145	1,239,243

(Statement 1A)

MISCELLANEOUS SCHEDULES

TO PROVIDE DETAIL INFORMATION ON TAXES RECEIVABLE

FINANCIAL REPORT OF SAN DIEGO COUNTY

SCHEDULE OF TAXES AND BENEFIT CHARGES RECEIVABLE
June 30, 1998
(In Thousands)

SCHEDULE 3

GENERAL	
TAXES	
Miscellaneous Property Taxes	\$ 242
Total Taxes Receivable	\$ 242

(Statement 2)





FINANCIAL REPORT OF SAN DIEGO COUNTY
COMPARISON OF EXPENDITURES
COUNTY GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUNDS
Fiscal Years 1988-89 Through 1997-98
(In Thousands)

TABLE 1

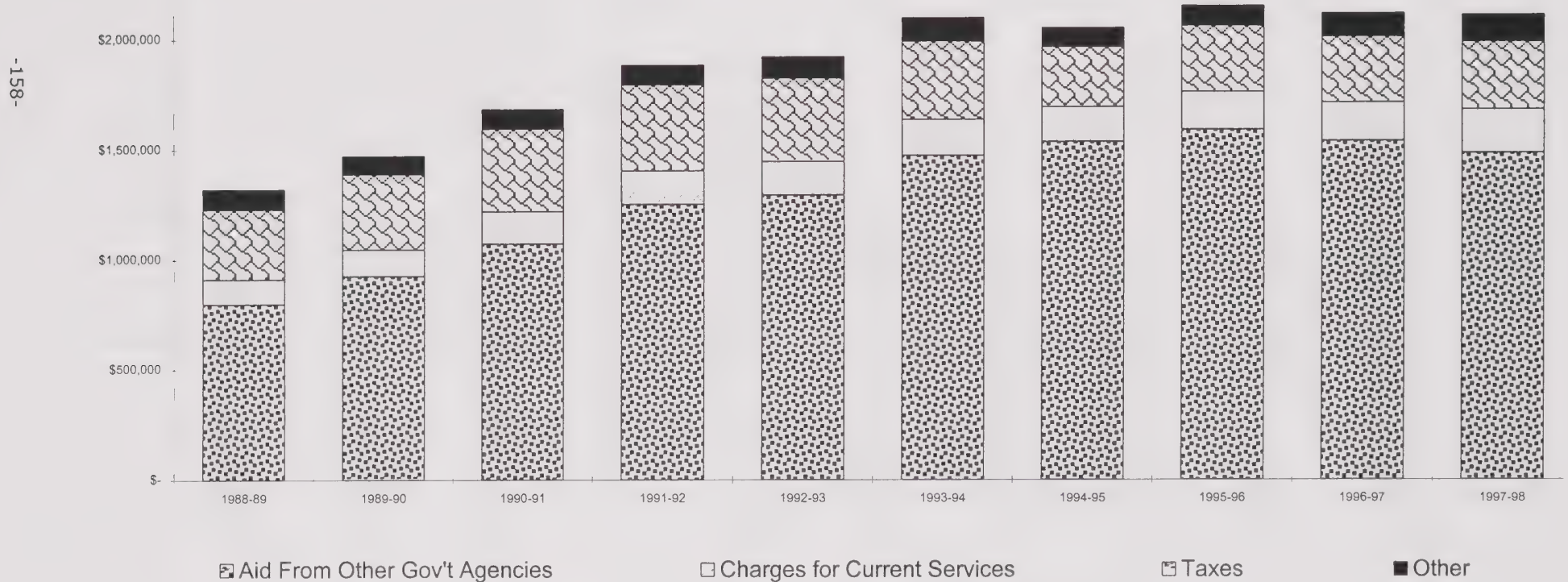
	1988-89		1989-90		1990-91		1991-92		1992-93		1993-94		1994-95		1995-96		1996-97		1997-98	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
General Government	164,144	10.8	180,365	10.4	200,288	10.2	212,619	10.9	208,838	10.1	204,216	9.8	166,381	7.6	172,916	8.1	186,861	8.8	184,465	8.7
Public Protection	292,447	19.2	341,142	19.6	383,632	19.6	417,598	21.5	426,986	20.8	438,051	21.0	450,419	20.6	481,691	22.6	509,142	23.9	544,585	25.7
Public Ways & Facilities	49,030	3.2	53,109	3.0	57,775	2.9	65,113	3.3	64,714	3.1	66,766	3.2	62,786	2.9	69,617	3.3	64,180	3.0	66,509	3.1
Health & Sanitation	172,946	11.4	193,742	11.1	228,617	11.7	246,856	12.7	246,208	12.0	247,533	11.9	256,011	11.7	265,396	12.5	268,400	12.6	294,867	13.9
Public Assistance	525,074	34.5	596,399	34.2	737,722	37.6	879,859	45.3	892,530	43.4	932,497	44.7	1,001,420	45.7	992,263	46.7	915,302	43.0	816,620	38.8
Education	8,159	0.5	9,156	0.5	9,651	0.5	9,548	0.5	8,383	0.4	8,419	0.4	8,879	0.4	8,973	0.4	9,375	0.4	10,097	0.5
Recreation & Cultural	5,275	0.3	6,201	0.4	6,481	0.3	6,509	0.3	6,730	0.3	7,648	0.4	6,749	0.3	7,109	0.3	7,210	0.3	9,309	0.4
Capital Outlay	103,779	6.8	104,046	6.0	81,315	4.1	81,739	4.2	54,308	2.6	111,895	5.4	60,914	2.8	115,170	5.4	74,368	3.5	91,119	4.3
Debt Service	28,243	1.9	36,304	2.1	36,383	1.9	39,725	2.0	35,277	1.7	40,694	2.0	72,894	3.3	77,705	3.7	91,914	4.3	98,150	4.6
Intergovernmental	12	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,349,109	89%	1,520,464	87%	1,741,864	89%	1,959,566	101%	1,943,974	94%	2,057,719	99%	2,086,453	95%	2,190,840	103%	2,126,752	100%	2,115,721	100%



FINANCIAL REPORT OF SAN DIEGO COUNTY
COMPARISON OF REVENUES BY SOURCE
COUNTY GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUNDS
Fiscal Years 1988-89 through 1997-98
(In Thousands)

TABLE 2

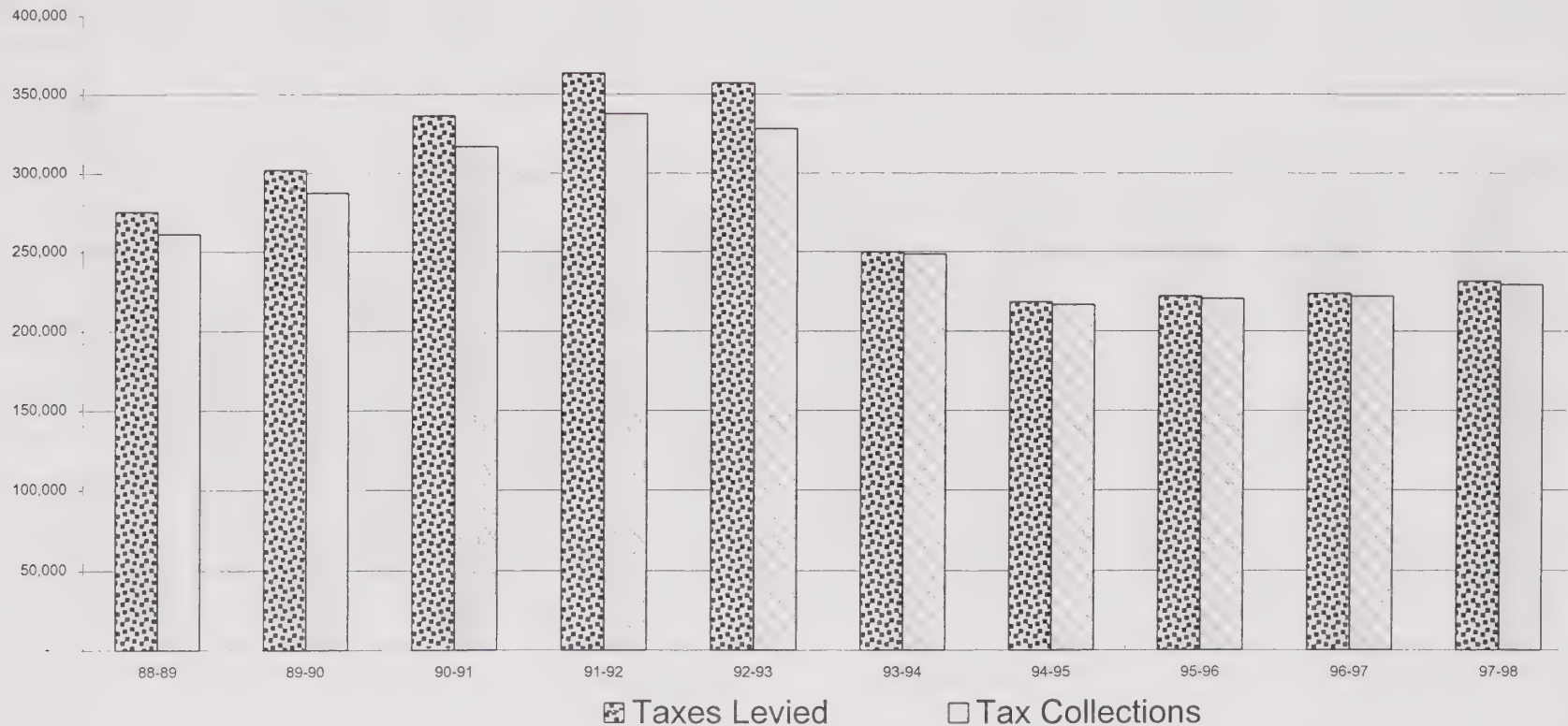
	1988-89		1989-90		1990-91		1991-92		1992-93		1993-94		1994-95		1995-96		1996-97		1997-98	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Taxes	\$ 315,901	23.9	341,644	23.3	373,732	22.2	389,136	20.7	376,098	19.6	353,752	16.9	272,831	13.3	299,383	13.9	297,314	14.1	306,203	14.5
Licenses, Permits and Franchises	24,692	1.9	23,762	1.6	26,097	1.6	26,897	1.4	27,749	1.4	26,868	1.3	27,011	1.3	26,587	1.2	28,118	1.3	28,312	1.3
Fines, Forfeitures and Penalties	15,070	1.1	16,668	1.1	21,917	1.3	22,352	1.2	26,253	1.4	19,576	0.9	18,156	0.9	23,787	1.1	22,972	1.1	29,396	1.4
Use of Money and Property	29,326	2.2	32,321	2.2	28,639	1.7	28,786	1.5	34,425	1.8	45,432	2.2	26,069	1.3	25,319	1.2	31,089	1.2	48,968	2.3
Aid From Other Governmental Agencies	797,936	60.6	924,233	62.8	1,070,128	63.6	1,248,795	66.4	1,290,298	67.2	1,470,308	70.0	1,532,529	74.8	1,587,410	73.8	1,536,529	72.8	1,481,185	70.2
Charges for Current Services	112,288	8.5	120,219	8.2	147,465	8.8	152,223	8.1	152,956	8.0	162,658	7.8	156,823	7.6	171,079	8.0	173,489	8.2	196,435	9.3
Other Revenue	24,246	1.8	12,000	0.8	13,343	0.8	13,035	0.7	11,648	0.6	17,927	0.9	17,234	0.8	17,725	0.8	27,327	1.3	18,822	0.9
Total	\$ 1,319,459	100.0	1,470,847	100.0	1,681,321	100.0	1,881,224	100.0	1,919,427	100.0	2,096,521	100.0	2,050,653	100.0	2,151,290	100.0	2,116,838	100.0	2,109,321	100.0



FINANCIAL REPORT OF SAN DIEGO COUNTY
COMPARISON OF COUNTY ASSESSED VALUE
TAXES LEVIED AND TAX COLLECTIONS
COUNTY GENERAL, AND LIBRARY FUNDS
Fiscal Years 1988-89 through 1997-98
(In Thousands)

TABLE 3

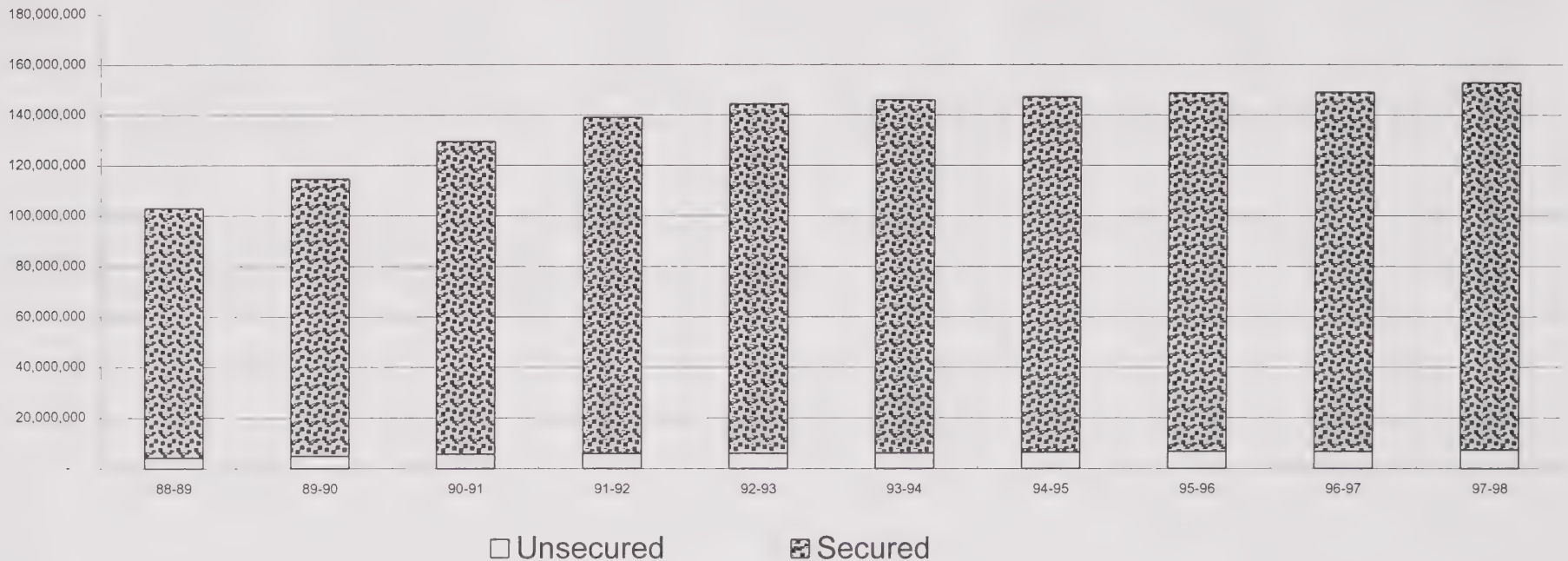
Assessed Valuations and Tax Rates	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98
Secured	98,838,188	109,770,108	123,808,764	133,152,260	138,327,528	139,889,004	140,737,545	142,068,531	142,356,634	145,607,295
Tax Rate (County wide)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Unsecured	4,270,240	4,954,784	5,737,644	5,898,844	6,049,244	6,132,432	6,448,886	6,695,765	6,755,173	7,295,084
Tax Rate (Countywide)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Tax Levied (Current and Prior)	275,511	301,874	336,209	363,488	357,174	249,877	218,190	221,960	223,706	231,220
Current Tax Collections	253,628	279,884	308,946	328,374	315,998	222,839	216,385	220,205	221,724	228,984
Delinquent Tax Collections	7,736	7,352	7,931	9,357	12,060	25,661	136	209	165	179
Total Tax Collections	261,364	287,236	316,877	337,731	328,058	248,500	216,521	220,414	221,889	229,163
Ratio of Total Collections to Levy	94.9	95.2	94.3	92.9	91.8	99.4	99.2	99.3	99.2	99.1
Outstanding Delinquent Taxes	14,147	14,638	19,332	25,757	29,116	1,377	1,669	1,546	1,818	2,057



FINANCIAL REPORT OF SAN DIEGO COUNTY
COMPARISON OF ASSESSED VALUATIONS
SECURED AND UNSECURED
Fiscal Years 1988-89 through 1997-98
(In Thousands)

TABLE 4

Secured Property:	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98
Land	38,431,022	43,594,825	49,581,799	54,203,308	56,942,649	57,882,623	58,065,558	58,442,660	58,743,000	59,965,573
Improvements	60,340,768	66,367,616	74,306,097	79,254,686	81,937,911	83,110,455	84,039,711	84,997,932	85,004,255	85,520,503
Personal Property	1,823,920	1,917,235	2,254,806	2,187,620	2,299,370	2,173,676	2,102,662	2,241,217	2,253,372	4,125,615
Gross Secured Valuations	100,595,710	111,879,676	126,142,702	135,645,614	141,179,930	143,166,754	144,207,931	145,681,809	146,000,629	149,611,690
Exemptions:	1,757,521	2,109,566	2,333,938	2,493,353	2,852,402	3,277,750	3,470,386	3,613,279	3,643,995	4,004,395
Net Secured Valuations	98,838,189	109,770,110	123,808,764	133,152,261	138,327,528	139,889,004	140,737,545	142,068,530	142,356,634	145,607,295
Unsecured Property:										
Land	226	550	131	155	17	155	74	26,663	-	-
Improvements	990,448	1,155,718	1,290,603	1,365,027	1,457,255	1,521,429	1,588,569	1,587,308	1,759,688	1,706,300
Personal Property	3,340,391	3,865,587	4,541,505	4,645,507	4,751,245	4,854,494	5,073,088	5,295,127	5,150,899	6,096,946
Gross Unsecured Valuations	4,331,065	5,021,855		6,010,689	6,208,517	6,376,078	6,661,730	6,909,098	6,910,587	7,803,246
Exemptions:	61,167	67,073	94,594	111,847	159,274	243,646	212,845	213,333	155,414	508,163
Net Unsecured Valuations	4,269,898	4,954,782	5,737,645	5,898,842	6,049,243	6,132,432	6,448,886	6,695,765	6,755,173	7,295,083
Net Valuations	103,108,087	114,724,892	129,546,409	139,051,103	144,376,771	146,021,436	147,186,431	148,764,295	149,111,807	152,902,378



FINANCIAL REPORT OF SAN DIEGO COUNTY

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
Fiscal Years 1988-89 through 1997-98
(In Thousands)**

TABLE 5

FISCAL YEAR	POPULATION(1)	ASSESSED VALUE(2)	GROSS BONDED DEBT(3)	LESS DEBT SERVICE FUND(4)	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1988-89	2,418	103,108,087	189,330	21,819	167,511	0.16	69
1989-90	2,480	114,724,892	223,963	28,172	195,791	0.17	79
1990-91	2,540	129,546,409	254,998	29,759	225,239	0.17	89
1991-92	2,583	139,051,103	246,483	32,400	214,083	0.15	83
1992-93	2,614	144,376,771	299,272	31,790	267,482	0.19	102
1993-94	2,639	146,021,436	718,132	28,414	689,718	0.47	261
1994-95	2,659	147,186,431	762,993	47,625	715,368	0.49	269
1995-96	2,690	149,111,807	799,533	51,652	747,881	0.50	278
1996-97	2,724	152,902,378	834,773	30,275	804,498	0.53	295
1997-98	2,795	163,728,589	819,813	28,394	791,419	0.48	283

(1) From Table 10

(2) From Table 8

(3) Includes Lease Revenue Bonds and Certificates of Participation of various Joint Power Authorities and the San Diego County Capital Asset Leasing Corporation and taxable Pension Obligation Bonds.

(4) Amount available for repayment of bonded debt (Redevelopment Agency excluded)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**COMPARISON OF SECURED PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
Fiscal Years 1988-89 through 1997-98**

TABLE 6

FISCAL YEAR	GOVERNMENTAL ENTITY				
	COUNTY- WIDE*	SCHOOLS	CITIES	SPECIAL DISTRICTS	TOTAL
1989	1.000	0.021	0.008	0.020	1.049
1990	1.000	0.019	0.006	0.017	1.042
1991	1.000	0.019	0.006	0.020	1.045
1992	1.000	0.026	0.007	0.017	1.050
1993	1.000	0.045	0.006	0.019	1.070
1994	1.000	0.045	0.005	0.016	1.066
1995	1.000	0.044	0.005	0.015	1.064
1996	1.000	0.044	0.005	0.016	1.065
1997	1.000	0.044	0.004	0.015	1.063
1998	1.000	0.045	0.004	0.013	1.062

*The \$1.00 per \$100 of Assessed Value (Proposition 13) tax rate beginning in FY 79 is distributed according to State Law on a percentage basis to each of the eligible taxing agencies in the County.

FINANCIAL REPORT OF SAN DIEGO COUNTY

**COMPARISON OF RATIO OF ANNUAL DEBT SERVICE FOR
GENERAL BONDED DEBT TO
TOTAL GENERAL GOVERNMENTAL EXPENDITURES
Fiscal Years 1988-89 through 1997-1998
(In Thousands)**

TABLE 7

	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	TOTAL GENERAL GOVERNMENTAL EXPENDITURES(1)	RATIO OF DEBT SERVICE TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
1988-1989	6,421	11,895	18,316	1,349,109	1.36
1989-1990	9,405	13,710	23,115	1,520,464	1.52
1990-1991	9,611	15,057	24,668	1,741,864	1.42
1991-1992	11,536	15,969	27,505	1,959,566	1.40
1992-1993	9,352	10,312	19,664	1,943,974	1.01
1993-1994	11,815	12,367	24,182	2,057,719	1.18
1994-1995	13,605	41,023	54,628	2,086,453	2.62
1995-1996	15,653	44,907	60,560	2,190,840	2.76
1996-1997	56,589	19,722	76,311	2,126,752	3.59
1997-1998	37,365	46,528	83,893	2,131,893	3.94

(1) Includes General, Special Revenue, Debt Service and Capital Projects funds.

The debt service expenditures for Lease Revenue Bonds and Certificates of Participation of various Joint Powers Authorities and the San Diego County Capital Asset Leasing Corporation are incorporated into the County's Comprehensive Annual Financial Report in accordance with criteria adopted by the Governmental Accounting Standards Board. These debt instruments function as general obligation debt of the County. The general revenues of the County, including taxes, are the source of payment for the debt service expenditures made by these agencies. Prior to fiscal year 1993-94, the County had no general obligation bonded debt. During 1993-94, the County issued \$430.4 million in taxable pension obligation bonds which are secured by the general revenues of the County including property taxes.

FINANCIAL REPORT OF SAN DIEGO COUNTY

COMPARISON OF COMPUTATION OF LEGAL DEBT MARGIN
Fiscal Years 1988-89 through 1997-1998
(In Thousands)

TABLE 8

		POPULATION PER OFFICIAL U.S.CENSUS (1)	TOTAL ASSESSED VALUATION	LEGAL DEBT LIMIT (2)	LEGAL DEBT MARGIN (3)
1988-1989	.....	2,418	103,108,087	1,288,851	1,288,851
1989-1990	.....	2,480	114,724,892	1,434,061	1,434,061
1990-1991	.....	2,540	129,546,409	1,619,330	1,619,330
1991-1992	.....	2,584	139,051,103	1,738,139	1,738,139
1992-1993	.....	2,614	144,376,771	1,804,710	1,804,710
1993-1994	.....	2,639	146,021,436	1,825,268	1,825,268
1994-1995	.....	2,659	147,186,431	1,839,830	1,839,830
1995-1996	.....	2,690	149,111,807	1,863,898	1,863,898
1996-1997	.....	2,724	152,902,378	1,911,280	1,911,280
1997-1998	.....	2,795	163,902,378	2,048,780	2,048,780

(1) Estimated

(2) The Legal debt Limit is 1.25% of Assessed Valuation

(3) Legal Debt Margin is computed by subtracting the County legal general obligation bonded debt from the Legal Debt Limit. Beginning in 1980-81 and subsequent fiscal years the County, as a legally defined entity, had no tax supported general obligation bonded debt outstanding.

FINANCIAL REPORT OF SAN DIEGO COUNTY

COMPARISON OF CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES
Fiscal Years 1988-89 through 1997-98
Calendar Years 1988 through 1997
(In Thousands)

TABLE 9

YEAR	CONSTRUCTION (1)				FISCAL YEAR	(2) BANK DEPOSITS	PROPERTY VALUE (3)		
	RESIDENTIAL CONSTRUCTION PERMITS	NON-RESIDENTIAL CONSTRUCTION	MISCELLANEOUS CONSTRUCTION PERMITS	TOTAL VALUATION			COMMERCIAL	RESIDENTIAL	NON-TAXABLE
1988	15,853	4,866	22,954	4,293,617	1988-89	13,624,036	20,773,990	65,946,066	1,757,521
1989	11,708	6,028	22,717	3,836,928	1989-90	14,720,755	23,400,967	74,545,420	2,109,566
1990	7,645	5,781	26,297	3,220,664	1990-91	17,786,196	26,442,094	84,296,816	2,333,938
1991	5,716	4,071	22,434	2,186,129	1991-92	17,849,595	28,500,792	91,616,100	2,493,353
1992	4,098	3,818	21,038	1,647,374	1992-93	16,541,100	28,659,430	96,900,269	2,852,402
1993	4,321	3,728	21,358	1,707,342	1993-94	15,728,193	27,851,773	99,978,225	3,277,750
1994	7,092	3,594	17,924	1,639,002	1994-95	15,332,999	27,034,074	101,807,538	3,470,386
1995	3,257	312	13,277	999,936	1995-96	15,053,416	26,526,398	103,576,070	3,613,279
1996	8,046	619	24,732	2,453,717	1996-97	15,105,204	18,912,385	104,163,069	3,643,995
1997	11,091	680	25,705	3,130,775	1997-98	(4)	19,670,947	106,742,185	4,004,395

Sources:

- (1) Greater San Diego Chamber of Commerce
- (2) Federal Reserve Bank - FDIC Banks and Branches Data Book
- (3) San Diego County Property Tax Services and Assessor
- (4) Not yet available

FINANCIAL REPORT OF SAN DIEGO COUNTY

COMPARISON OF DEMOGRAPHIC STATISTICS
Calendar Years 1989 through 1998

TABLE 10

YEAR	POPULATION (1)	CIVILIAN LABOR FORCE	UNEMPLOYMENT RATE
1989	2,417,649	1,172,100	3.9
1990	2,480,072	1,164,800	4.4
1991	2,539,583	1,176,300	7.1
1992	2,583,470	1,204,477	8.1
1993	2,614,222	1,215,200	6.7
1994	2,638,511	1,199,100	7.4
1995	2,658,584	1,217,100	6.8
1996	2,690,255	1,232,400	5.5
1997	2,724,457	1,249,700	4.5
1998	2,794,800	1,281,600 (2)	4.2 (2)

DATA SOURCES:

- (1) State Department of Finance (As of January 1)
- (2) State Employment Development Department (As of June 1998)

FINANCIAL REPORT OF SAN DIEGO COUNTY

COMPARISON OF REVENUE BOND COVERAGE
WATER AND SEWER BONDS
Fiscal Years 1988-89 through 1997-98
(In Thousands)

TABLE 11

FISCAL YEAR	GROSS REVENUE	DIRECT OPERATING EXPENSES(1)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
1988-89	18,693	6,708	11,985	240	72	312	38.41
1989-90	11,918	7,111	4,807	105	37	142	33.85
1990-91	14,272	7,195	7,077	99	33	132	53.61
1991-92	14,566	9,190	5,376	20	29	49	109.71
1992-93	20,131	14,167	5,964	25	28	53	112.53
1993-94	18,300	10,869	7,431	15	11	26	285.81
1994-95	20,885	17,816	3,069	15	10	25	122.76
1995-96	19,031	17,657	1,374	15	9	24	57.25
1996-97	19,056	11,050	8,006	15	8	23	348.09
1997-98	22,177	16,004	6,173	20	6	26	237.42

(1) Total Operating Expenses exclusive of depreciation

FINANCIAL REPORT OF SAN DIEGO COUNTY

ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT

TABLE 12

1997-98 Assessed Valuation:	\$152,902,378,380	(Includes unitary utility valuation)
Redevelopment Incremental Valuation:	<u>7,348,716,218</u>	
Adjusted Assessed Valuation:	\$145,553,662,099	

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 9/1/98
Metropolitan Water District	16.274	\$ 98,063,869
San Diego County Water Authority	100	8,865,000
San Diego Unified School District Lease Tax Obligations	100	340,410,000
San Marcos Unified School District Facilities Improvement District No. 1	100	21,843,019
Carlsbad Unified School District	100	26,498,696
Union High School Districts	100	71,091,917
School Districts	100	90,858,644
Otay Municipal Water District Improvement Districts	100	12,530,000
Other Municipal Water Districts	100	8,239,000
City of San Diego	100	20,200,000
Other Cities	100	5,250,000
San Diego Open Space Park Facilities District	100	57,425,000
Community Facilities District	100	497,545,000
Other Special Districts	100	3,283,000
1915 Act Bonds (Estimated)	100	252,212,114

TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT	1,514,315,259
Less: San Diego Open Space Park Facilities District (100% self-supporting)	57,425,000
Self-supporting water bonds	115,000
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT	1,456,775,259

DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:		
San Diego County General Fund Obligations	100	520,418,000 (1)
San Diego County Pension Obligations	100	373,220,000
San Diego County Superintendent of Schools Obligations	100	2,267,500
Community College District Certificates of Participation	100	32,425,000
San Diego Unified School District Certificates of Participation	100	67,675,000
Other Unified School Districts Certificates of Participation	100	53,133,314
High School District Certificates of Participation	100	29,362,886
School District Certificates of Participation	100	52,302,168
Municipal Water District Certificates of Participation	100	32,730,000
City of San Diego General Fund Obligations	100	214,370,000
City of Escondido and General Fund Obligations	100	96,267,916
Other City General Fund Obligations	100	283,526,532
San Miguel Consolidated Fire Protection District Certificates of Participation	100	11,770,000
Fallbrook Sanitary District Certificates of Participation	100	12,800,000
TOTAL GROSS DIRECT AND OVERLAPPING LEASE OBLIGATION DEBT		1,782,268,316

FINANCIAL REPORT OF SAN DIEGO COUNTY

ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT

TABLE 12 (Cont)

Less: Otay Municipal Water District Certificates of Participation (100% self-supporting)	28,560,000	
City of San Diego Authority Bonds (100% self-supporting)	4,350,000	
City of Oceanside Certificates of Participation	3,820,000	
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT	1,745,538,316	
GROSS COMBINED TOTAL DEBT	3,296,583,575	(2)
NET COMBINED TOTAL DEBT	\$ 3,202,313,575	

(1) Excludes certificates of participation to be sold

(2) Excludes tax & revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 1997-98 Assessed Valuation:

Total Gross Direct and Overlapping Tax and Assessment Debt	0.99	%
Total Net Direct and Overlapping Tax and Assessment Debt	0.95	

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$893,638,000)	0.61
Gross Combined Total Debt	2.26
Net Combined Total Debt	2.20
STATE SCHOOL BUILDING AID REPAYABLE AS OF JUNE 30, 1997	\$ 10,953,642

Source: California Municipal Statistics, Inc.

FINANCIAL REPORT OF SAN DIEGO COUNTY

**PRINCIPAL TAXPAYERS
June 30, 1998
(In Thousands)**

TABLE 13

TAXPAYERS	TYPE OF BUSINESS	ASSESSED VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION
San Diego Gas & Electric Company	Gas & Electric Utility	\$3,106,104	1.90%
Southern California Edison Co.	Electric Utility	1,838,908	1.12%
Pacific Bell	Telephone Company	1,609,394	0.98%
Equitable Life Assurance Society	Real Estate	475,619	0.29%
Qualcomm Inc.	Telecommunications	410,822	0.25%
Pardee Construction	Building Contractor	183,698	0.11%
L-O Coronado Holding II Inc	Real Estate	275,000	0.17%
Spieker Properties LP	Real Estate	243,493	0.15%
Aviara Resort Associates Limited	Real Estate	259,306	0.16%
Hewlett Packard Co	Electronics-Manufacturing	260,979	0.16%
		\$8,663,323	5.29%

FINANCIAL REPORT OF SAN DIEGO COUNTY

MISCELLANEOUS STATISTICAL DATA June 30, 1998

TABLE 14

FORM OF GOVERNMENT:	Chartered County, governed by five-member Board of Supervisors		
COUNTY SEAT:	San Diego, California		
COUNTY CHARTER ADOPTED:	July 1, 1933		
FISCAL YEAR BEGINS:	July 1		
AREA OF COUNTY:	Approximately 4,200 square miles		
GEOGRAPHICAL LOCATION:	The Southwestern most county in California and the continental United States. Bounded by Mexico on the South, Riverside and Orange Counties on the North, Imperial County on the East and the Pacific Ocean on the West. Extends North to South approximately 60 miles and East to West 70 miles.		
ALTITUDE:	Sea Level to 6,500 feet		
INCORPORATED CITIES:	Carlsbad Chula Vista Coronado Del Mar El Cajon Encinitas	Escondido Imperial Beach La Mesa Lemon Grove National City Oceanside	Poway San Diego San Marcos Santee Solana Beach Vista

MILES OF COUNTY-MAINTAINED STREETS (Unincorporated Areas Only):	Select System (Circulation Element County General Plan)	948.5
	Minor System (All Other Maintained Roads)	934.54

SPECIAL DISTRICTS	
Air Pollution Control	1
Cemetery	4
Community Facilities	43
Community Services	12
County Service Areas	108
Education:	
Schools	48
Dept. of Education	1
Fire	16
Flood Control	
(Includes 1 Subzone)	2
Hospital	4
Irrigation	6
Library	1
Lighting	7
Maintenance:	
Lighting	1
Sewer	1
Public Utility	1
Recreation and Parks	1
Redevelopment Agencies	17
Resource Conservation	3
Sanitary	2
Sanitation	11
Sewer	1
Small Craft Harbor	1
Unified Port	1
Vector Control	1
Water:	
California	4
County	5
Miscellaneous	2
Municipal	14
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FINANCIAL REPORT OF SAN DIEGO COUNTY

MISCELLANEOUS STATISTICAL DATA June 30, 1998

TABLE 14 (Cont)

SEWERS MAINTAINED BY WASTEWATER MANAGEMENT

Districts Connected to Metropolitan System	4
Water Pollution Control Facilities	6
Sewer Lines, Miles	450
Equivalent Dwelling Units	
Sewer Connections	63,350.0

REGISTERED VOTERS

Primary Election:	June 2, 1998
Number Voted:	519,025
Percent Voted:	40.74
Registered Voters:	1,273,975

TOTAL COUNTY EMPLOYEES AT JUNE 30

Year	Number of Employees	Percent of Increase over Previous Year	Number of Employees Per Thousands Population
1989	15,057	5.4	6.23
1990	16,607	10.3	6.70
1991	17,150	3.3	6.75
1992	17,022	(0.7)	6.59
1993	16,999	(0.1)	6.50
1994	17,256	1.5	6.54
1995	17,470	1.2	6.57
1996	17,626	0.9	6.55
1997	17,623	(0.0)	6.47
1997	17,790	0.9	6.36

MAJOR INDUSTRY GROUP OF EMPLOYED PERSONS FOR SAN DIEGO COUNTY (In Thousands)

	JUNE
Agriculture and Fishing	11.7
Mining	0.4
Contract Construction	55.4
Manufacturing:	
Primary Fabricated Metal Products	6.7
Instruments and Related Electronic	12.5
Aircraft, Missiles	23.0
Other Manufacturing	14.5
Industrial Machinery	34.7
Paper, Printing and Publishing	18.1
Transportation and Public Utilities	14.1
Wholesale and Retail Trade	41.8
	244.6
Finance, Real Estate and Insurance	62.6
Service Industries	356.6
Government	199.0
Not Elsewhere Classified	160.5
TOTAL EMPLOYED	1,256.2
UNEMPLOYED	46.2
TOTAL CIVILIAN LABOR FORCE	1,302.4



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